



Madison City Council Chambers
211 S. Lincoln Street
Madison, NE 68748

CITY COUNCIL AGENDA

May 13, 2026

Welcome and reminder to turn off electronic devices.

ACKNOWLEDGEMENT OF OPEN MEETINGS ACT

ROLL CALL

PLEDGE OF ALLEGIANCE

CONSENT AGENDA *(one motion to approve items 1 – 9)*

1. Regular Agenda
2. April 8th, 2026 Regular Meeting Minutes
3. April 20th, 2026 Special Meeting Minutes
4. Claims
5. Treasurer's Report
6. Approval to Hire the Summer 2026 Lifeguards at a Pay Rate of \$15.00 for New Lifeguards and \$15.50 for Returning Lifeguards.
7. Approval to Hire Tracy Dittberner as the Seasonal Groundskeeper at a Pay Rate of \$18.64.
8. Approval of Resolution No. 2026-3 pertaining to the HWY 32, Main St. Closure for The Madison Fourth of July Parade taking place on Saturday, July 4, 2026, starting at 1:00PM , and ending at 3:00PM.
9. Approval of Resolution No. 2026-4 pertaining to the Updated Local Emergency Operations Plans for the City of Madison.

PUBLIC HEARINGS AND RELATED ACTION

REGULAR AGENDA

10. 2025/26 Auditor's Report Presentation.
11. Discussion/Action on approving the Insurance Renewal with LIGHT Program.
12. Discussion/Action on a Proposal From Acuity Commercial Property Inspections for the Inspection of the Countryside Care Center Building located at 703 N. Main Street, Madison, NE.
13. Discussion/Action on the Cost of Living for the Salaried Wage Schedule.
14. Discussion/Action to change the City Water Billing from Quarterly to Monthly.
15. Discussion/Action on Park Board's requests to hold Golf Tournament Fundraiser and to obtain Sponsor for its Newsletter.
16. Discussion/Action on Junk Removal Contract.
17. Discussion/Action on offer to Settle Lease and Taxes for the Child Care Center.
18. Closed session pursuant to Neb. Rev. Stat. §84-1410(1)(a) for a strategy session and briefing regarding the potential acquisition of real property located in the railroad corridor area in Madison, Nebraska, including discussion of a potential community redevelopment project and strategy regarding potential or imminent condemnation proceedings related thereto, as clearly necessary for the protection of the public interest.

ADJOURN

The City Council will review the above matters and take such action as they deem appropriate and necessary.
The City Council reserves the right to enter executive session on certain matters authorized under the Nebraska Open Meetings Act.

TREASURER'S REPORT**04/30/26**

	<u><i>Begin Balance</i></u>	<u><i>Disbursed</i></u>	<u><i>Received</i></u>	<u><i>End Balance</i></u>
CDBG Non-Interest	\$ 0.35			\$ 0.35
CRA - TIF Funds	\$ 3,163.38	(3,961.66)	\$848.42	\$ 50.14
CRA - Operations	\$ 19,697.95	(5,680.00)	\$40.26	\$ 14,058.21
CRA - Land Purchase	\$ 22,676.52	0.00	\$50.07	\$ 22,726.59
Youth Rec	\$ 1,760.74	\$ (25.00)	\$ 0.36	\$ 1,736.10
Countryside Home	\$ 56,248.88		\$19,291.85	\$ 75,540.73
General Checking	\$ 100,222.69	(1,274,400.60)	\$1,274,391.61	\$ 100,213.70
Current Available balance as of 4-30-26 \$6,557,545.89				

CSH Therapy/RTU replacement Loan Principal Balance \$ 439,843.19 (Monthly Pmts: \$17,038.78) Pinnacle Bank

**PUBLIC NOTICE
MADISON CITY COUNCIL**

Notice is hereby given that a meeting of the City Council will be held **WEDNESDAY, May 13th**, 2026, at **5:30 PM**, in the **Madison Council Chambers at 211 South Lincoln Street**, in Madison, Nebraska. This meeting will be open to the public. An agenda for such meetings kept continuously current, is available for public inspection at the office of the City Clerk at City Hall.

Ruth Yuman
City Clerk
City of Madison



REGULAR MEETING OF THE COUNCIL

The Acting Mayor and City Council of the City of Madison met in regular session at the City Council Chambers, Madison, Nebraska, on Wednesday, April 8th, 2026 beginning at 5:30 p.m.

CALL TO ORDER

Acting Mayor Paula Biehle called the meeting to order. Roll call found the following council members present: Rick Schommer and Mindy Spray. Staff members present: City Treasurer Deputy Clerk Amy Wegener, City Clerk Ruth Yuman, Economic Development Director Andy Colvin, City Attorney Mike Brogan, Police Chief Mike Hopen, and Utilities Superintendent Matt Schnebel.

The Acting Mayor presided over the meeting and the City Clerk recorded the proceedings. Upon opening of the meeting at 5:30 p.m. the Acting Mayor welcomed all guests.

The Acting Mayor informed the public about the location of the current copy of the Open Meetings Act in the back of the City Council room and made accessible to members of the public.

Notice of the meeting was given in advance thereof by posting in the Madison Star Mail and three public places.

Notice was given to the Acting Mayor and all members of the Council, and a copy of their Acknowledgement of Receipt for Notice is attached to the Minutes. Availability of the agenda was communicated in advance to the Acting Mayor and Council of this meeting. All proceedings shown hereafter were taken while the convened meeting was open to the public.

CONSENT AGENDA

Motion by Councilmember Schommer, Seconded by Councilmember Spray to approve the Consent Agenda: Motion will include 1 through 8 as one. However, an Amendment to the wording of 7 and 8; instead of "Appointment" it would be "Approval to hire" for both. Then to add to number 7, the two Part-time mowers would be Thomas Bettz and Alex Carnes at a Pay Rate of \$16.48.

BUSINESS

Discussion on the MHS All-Alumni Celebration the weekend of August 14th-16th, 2026. No action.

Motion made by Councilmember Spray, Seconded by Councilmember Schommer to approve the Letter of Agreement and Scope Services with Olsson Inc. to prepare a comprehensive Transportation and Safety Action Plan. Roll Call: Yeas: Spray, Schommer. Nays: None. Motion Carried.

Motion made by Councilmember Schommer, Seconded by Councilmember Spray for the City-Wide Clean up to have a tentative date of May 4th-7th from 4PM to 6PM and if pile is not burned the postponement date would be May 11th-14th from 4PM-6PM. For Roll Call: Yeas: Schommer, Spray. Nays: None. Motion Carried.

Motion made by Councilmember Spray, Seconded by Councilmember Schommer to approve the adoption of Resolution 2026-2 of the Proposed Electric Rate Schedule and Appendix A from JK Energy Consulting, LLC that will be effective after April 8, 2026 and January 1, 2027. Roll Call: Yeas: Spray and Schommer. Nays: None. Motion Carried.

Motion made by Councilmember Schommer, Seconded by Councilmember Spray to approve the Community Redevelopment Authority to sell the remaining six lots on South Ingram to K. Herman Development for a discounted price of \$10,000 each, for the construction of new single-family homes. Roll Call: Yeas: Schommer and Spray. Nays: None. Motion Carried.

Discussion on offer to Settle Rent on the Child Care Center, since the council is short two people. No action.

Motion made by Councilmember Schommer, Seconded by Councilmember Spray to enter an Executive Session at 6:43PM for the protection of the public interest regarding the engagement agreement with Johnson Flodman Guenzel and Wasserburger LLP for legal opinion pertaining to U.S. District Court case number 4:25-0cv-3184.

Motion made by Councilmember Spray, Seconded by Councilmember Schommer to be out of Executive Session at 6:56PM.

Motion made by Councilmember Schommer, Seconded by Councilmember Spray to approve the City entering into the engagement agreement with Johnson Flodman Guenzel and Wasserburger LLP for legal opinion pertaining to U.S. District Court case number 4:25-0cv-3184.

Motion by Councilmember Schommer, Seconded by Councilmember Spray to adjourn the meeting at 6:57PM. Roll Call: Yeas: Schommer and Spray. Nays: None. Motion Carried.

Ruth Yuman, City Clerk

Paula Biehle, Acting Mayor

I, the undersigned City Clerk, hereby certify that the foregoing is the full, true and correct original document of the Madison City Council Meeting proceedings had and done by the Mayor and City Council; that all of the subjects included in the proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to the meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said Minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Ruth Yuman, City Clerk



SPECIAL MEETING OF THE COUNCIL

The Mayor and City Council of the City of Madison met in a special session at the City Council Chambers, Madison, Nebraska, on Monday, April 20th, 2026, beginning at 7:15 AM.

CALL TO ORDER

Mayor Rob Fite called the meeting to order. Roll call found the following council members present: Rick Schommer, Paula Biehle, Mindy Spray, and Steve Ainsworth. Staff members present: City Treasurer Amy Wegener and City Clerk Ruth Yuman.

The Mayor presided over the meeting and the City Clerk recorded the proceedings. Upon opening of the meeting at 7:15AM, the Mayor welcomed all guests and gave a reminder to turn off electronic devices.

The Mayor informed the public about the location of the current copy of the Open Meetings Act in the back of the City Council room and accessible to members of the public.

Notice of the meeting was given in advance thereof by posting in the Madison Star Mail and three public places.

Notice was given to the Mayor and all members of the council and a copy of their Acknowledgement of Receipt for Notice is attached to the Minutes. Availability of the agenda was communicated in advance to the Mayor and Council of this meeting. All proceedings shown hereafter were taken while the convened meeting was open to the public.

NEW BUSINESS

The board discussed the contract for sale, purchase, and installation of HVAC equipment for the Senior Center. The grant given to the Senior Center still has funds left, so the City will act as a pass-through for these funds; one of them being the HVAC equipment.

Motion by Councilmember Biehle, Seconded by Councilmember Ainsworth to approve the Contract for Sale, Purchase, and Installation of HVAC Equipment for the Madison Senior Center from Bode Heating Connection in Battle Creek in the amount of \$31,720. Roll Call: Yeas: Biehle, Ainsworth, Spray, Schommer. Nays: None. Motion carried.

Motion by Councilmember Schommer, Seconded by Councilmember Ainsworth to adjourn the meeting at 7:24 PM. Roll Call: Yeas: Ainsworth, Biehle, Spray, Schommer. Nays: None. Motion carried.

Ruth Yuman, City Clerk

Robert Fite, Mayor

I, the undersigned City Clerk, hereby certify that the foregoing is the full, true and correct original document of the Madison City Council Meeting proceedings had and done by the Mayor and City Council; that all of the subjects included in the proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to the meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said Minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Ruth Yuman, City Clerk

Summer 2026 Lifeguards

Approved Pool Manager at a pay rate of \$19

New Lifeguards: \$15

Returning Lifeguards: \$15.50.

NEW

Madelyn Nyberg

Bailey Hanson

Naomi Saldana

Ardriel Casarrubias

Ember Hysell

Chanel Amezcua

Kelier Arrazcaeta

Jenahcie Zautke

Returning

Camryn Dickes

Braxton Jurgens

Lola Eisenmann

RESOLUTION NO. 2026-_____

BE IT RESOLVED by the Mayor and City Council of the City of Madison, Nebraska:

WHEREAS, public safety requires a specific declaration for a special community event on Main Street and within the official corporate limits of Madison, Nebraska.

NOW, THEREFORE, in consideration of the foregoing recital, the Mayor and City Council of the City of Madison, Nebraska, hereby resolve and declare that there shall be a community celebration called "The Madison Fourth of July Parade" which shall take place on Saturday, July 4, 2026, starting at 1:00 p.m., and ending at 3:00 p.m. The parade shall traverse Main Street in downtown Madison, and shall include a one-block segment of State Highway 32 only for the block between 3rd Street to 2nd Street. Main Street (including the Highway 32 portion) shall be closed for this period of time, after which control of the highway portion shall be relinquished to the Nebraska Department of Roads. The governing body of the City of Madison accepts all duties set out in Nebraska Revised Statutes §39-1359(2). If a claim is made against the State of Nebraska, the City of Madison shall indemnify, defend, and hold harmless the State from all claims, demands, actions, damages, and liability, including reasonable attorney's fees, that may arise as a result of the special event. See the attached map of the parade route, which indicates the location of barricades and signs.

IT IS FURTHER RESOLVED that any prior resolution in conflict with the provisions of this resolution are hereby repealed.

Passed and approved on May 13, 2026.

CITY OF MADISON

Mayor

ATTEST:

City Clerk

CITY RESOLUTION

Council Member _____
offers the following resolution and moves its adoption, seconded by Council member
_____:

RESOLVE: That in order to provide for a coordinated response to a disaster or emergency in MADISON County, the City of _____ and other cities and villages in MADISON County, the _____ City Council deems it advisable and in the best interests of the community and the County to approve the attached MADISON County Local Emergency Operations Plan. Acceptance of this 2026 Local Emergency Operations Plan supersedes all previous approved MADISON County Local Emergency Operations Plans.

PASSED AND APPROVED THIS ____ DAY OF _____, 20____.

Mayor, City of _____

ATTEST:

City Clerk

CITY OF MADISON, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2025

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	2
MANAGEMENT’S DISCUSSION AND ANALYSIS	5
FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Modified Cash Basis - Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	16
Statement of Fund Net Position - Proprietary Funds	17
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19
Notes to Financial Statements	20
SUPPLEMENTARY AND OTHER INFORMATION	
Budgetary Comparison Schedule - Modified Cash Basis	
General Fund	45
Street Fund	46
Nursing Home Fund	47
Sales Tax Fund	48
Combining Statement of Revenues and Expenditures - Modified Cash Basis - General Fund Departments	49
Combining Statement of Net Position - Modified Cash Basis – Component Units	50
Combining Statement of Activities - Modified Cash Basis – Component Units	51
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	52

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of the City Council
City of Madison, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities - modified cash basis, the business-type activities - accrual basis, the aggregate discretely presented component units – modified cash basis, and each major fund - modified cash basis for the governmental funds and accrual basis for the proprietary funds of the City of Madison, Nebraska, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's 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 - modified cash basis, the business-type activities - accrual basis, the discretely presented component units – modified cash basis, and each major fund - modified cash basis for the governmental funds and accrual basis for the proprietary funds of the City of Madison, Nebraska as of September 30, 2025, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with the basis of accounting described in Note A.

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 City of Madison, Nebraska 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—Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting for the governmental activities, aggregate discretely presented component units, and governmental funds. The governmental and component unit financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

SHAREHOLDERS:

Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf
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A PROFESSIONAL
CORPORATION

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash and accrual basis of accounting described in Note A, and for determining that the modified cash and accrual basis of accounting are acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 City of Madison, Nebraska'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 City of Madison, Nebraska'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 City of Madison, Nebraska'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Madison, Nebraska's financial statements. The statement of General Fund departmental revenue and expenditures and component unit combining statements are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the second sentence of this paragraph is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the management's discussion and analysis and budgetary comparison schedules, but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 April 3, 2026, on our consideration of the City of Madison, Nebraska'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 City of Madison'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 City of Madison, Nebraska's internal control over financial reporting and compliance.

AMGL, P.C.

Grand Island, Nebraska
April 3, 2026

**CITY OF MADISON, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2025**

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the City of Madison, we offer readers of the City of Madison financial statements this narrative overview and analysis of the financial activities of the City of Madison for the fiscal year ended September 30, 2025.

Financial Highlights

- The assets of the City of Madison exceeded its liabilities at the close of the most recent fiscal year by \$11,280,608 (*net position*). Of this amount, \$6,795,497 (*unrestricted net position*) may be used to meet the government’s ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Madison governmental activities reported combined ending net position of \$1,964,539. Approximately 68.5 percent of this total amount, \$1,346,587, is *unrestricted net position*.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,081,565, or 51.5 percent of General Fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Madison’s finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Madison’s assets and liabilities, with the difference between the two 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 City of Madison is improving or deteriorating.

The *statement of activities* presents information showing how the government’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 only result in cash flows in future fiscal periods.

CITY OF MADISON, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

Both of the government-wide financial statements distinguish functions of the City of Madison 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 City of Madison include general government, public safety, highways and streets, culture and recreation, and economic development. The business-type activities of the City of Madison include the Electric, Water, and Sewer Funds.

The government-wide financial statements can be found on pages 13 and 14 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 City of Madison, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Madison can be divided into two categories: governmental funds and proprietary 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 fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Madison maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, Nursing Home Fund, and Sales Tax Fund, all of which are considered to be major funds.

The City of Madison adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 15 and 16 of this report.

Proprietary funds. The City of Madison maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the

CITY OF MADISON, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

government-wide financial statements. The City of Madison uses enterprise funds to account for its Electric, Water, and Sewer Funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, and Sewer Funds, all of which are considered to be major funds of the City of Madison.

The proprietary fund financial statements can be found on pages 17-19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-44 of this report.

Other information. In addition to the financial statements and accompanying notes, this report also presents certain *supplementary and other information* concerning the City of Madison’s budgetary comparison schedules, statement of revenues and expenditures by General Fund department, and component unit combining statements, which can be found on pages 45-51 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Madison, assets exceeded liabilities by \$11,280,608 at the close of the most recent fiscal year.

Summary Statement of Net Position

	<u>September 30, 2025</u>			<u>September 30, 2024</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and Other Assets	\$ 1,964,539	\$ 6,092,658	\$ 8,057,197	\$ 1,327,113	\$ 6,278,940	\$ 7,606,053
Capital Assets	-	3,983,259	3,983,259	-	4,303,906	4,303,906
Total Assets	<u>1,964,539</u>	<u>10,075,917</u>	<u>12,040,456</u>	<u>1,327,113</u>	<u>10,582,846</u>	<u>11,909,959</u>
Long-term Liabilities	-	-	-	-	116,100	116,100
Other Liabilities	-	759,848	759,848	-	761,723	761,723
Total Liabilities	<u>-</u>	<u>759,848</u>	<u>759,848</u>	<u>-</u>	<u>877,823</u>	<u>877,823</u>
Net Position:						
Net Investment in						
Capital Assets	-	3,867,159	3,867,159	-	4,073,969	4,073,969
Restricted	617,952	-	617,952	365,449	-	365,449
Unrestricted	1,346,587	5,448,910	6,795,497	961,664	5,631,054	6,592,718
Total Net Position	<u>\$ 1,964,539</u>	<u>\$ 9,316,069</u>	<u>\$11,280,608</u>	<u>\$ 1,327,113</u>	<u>\$ 9,705,023</u>	<u>\$11,032,136</u>

**CITY OF MADISON, NEBRASKA
MANAGEMENT’S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025**

A portion of the City of Madison’s net position (34.3 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Madison uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Madison’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.

An additional portion of the City of Madison’s net position (5.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$6,795,497) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Madison is able to report positive balances in all three categories of net position, for the government as a whole as well as for its separate governmental and business-type activities.

Expenses and Program Revenues - Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 3,106	\$ 263,685	\$ 85,568	\$ 908,567
Public Safety	77,800	500,084	72,722	505,749
Public Works	-	296,944	-	248,897
Environment and Leisure	55,522	355,627	41,462	333,428
Economic Development	-	26,559	-	11,813
Debt Service	-	214,466	-	244,216
Capital Outlay	-	938,748	-	615,270
Total	136,428	2,596,113	199,752	2,867,940
Interfund Transfers	-	137,869	-	99,279
	<u>\$ 136,428</u>	<u>\$ 2,733,982</u>	<u>\$ 199,752</u>	<u>\$ 2,967,219</u>

**CITY OF MADISON, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025**

Revenues by Source - Governmental Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2025</u>			<u>Year Ended September 30, 2024</u>		
Charges for Services	\$ 114,434	3.39	%	\$ 108,393	3.41	%
Operating Grants and Contributions	21,994	0.65		11,152	0.35	
Capital Grants and Contributions	-	-		80,207	2.53	
Property Taxes	356,097	10.56		342,626	10.79	
Motor Vehicle Taxes	43,668	1.30		44,410	1.40	
Sales Tax	363,216	10.77		387,122	12.19	
Franchise Taxes	1,087,884	32.27		973,012	30.64	
State Allocation	766,121	22.72		711,059	22.39	
Lease and Rent	264,206	7.84		225,284	7.10	
Loan Collections	-	-		5,524	0.17	
Other	146,179	4.34		77,137	2.43	
Gain on Disposal of Property	11,213	0.33		-	-	
Interest	196,396	5.83		209,476	6.60	
Total	<u>\$ 3,371,408</u>	<u>100.00</u>	%	<u>\$ 3,175,402</u>	<u>100.00</u>	%

Net position increased \$637,426 in the governmental activities during the year ended September 30, 2025.

Business-type activities. Business-type activities decreased the City of Madison's net position by \$(388,954). Key elements of this decrease are as follows:

Expenses and Program Revenues - Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2025</u>		<u>Year Ended September 30, 2024</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Electric	\$ 6,671,847	\$ 7,156,556	\$ 6,578,965	\$ 6,924,426
Water	367,809	335,075	362,124	331,617
Sewer	348,939	407,819	348,319	385,488
Total	<u>\$ 7,388,595</u>	<u>\$ 7,899,450</u>	<u>\$ 7,289,408</u>	<u>\$ 7,641,531</u>

Revenues by Source - Business-type Activities

SOURCES OF REVENUE

	<u>Year Ended September 30, 2025</u>			<u>Year Ended September 30, 2024</u>		
Charges for Services	\$ 7,388,595	98.38	%	\$ 7,289,408	98.53	%
Gain on Disposal of Equipment	-	-		3,411	0.05	
Interest	4,032	0.05		6,275	0.08	
Transfers	117,869	1.57		99,279	1.34	
Total	<u>\$ 7,510,496</u>	<u>100.00</u>	%	<u>\$ 7,398,373</u>	<u>100.00</u>	%

CITY OF MADISON, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

Financial Analysis of the Government's Funds

As noted earlier, the City of Madison used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City of Madison's governmental funds reported combined ending fund balances of \$1,964,539. Approximately 55.1 percent of this total amount (\$1,081,565) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances is not available for new spending because it has already been 1) restricted for sewer improvements (\$89,919), 2) restricted for public safety (\$141,166), 3) assigned for the nursing home (\$54,821), 4) restricted for street improvements (\$386,867), or 5) assigned for budgetary stabilization (\$210,201).

The General Fund is the chief operating fund of the City of Madison. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,081,565 while total fund balance was \$1,291,766. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51.5 percent of total General Fund expenditures, while total fund balance represents 61.5 percent of that same amount.

The fund balance of the City of Madison's General Fund increased by \$337,053, the Street Fund increased \$330,350, the Nursing Home Fund increased \$47,870 and the Sales Tax Fund decreased \$(77,847) during the current fiscal year.

Proprietary funds. The City of Madison's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the year was as follows: Electric Fund – \$4,864,511, Water Fund – \$409,329, and Sewer Fund – \$175,070. The change in net position for the proprietary funds was as follows: Electric Fund – decrease of \$(480,677), Water Fund – increase of \$32,734, and Sewer Fund – increase of \$59,989. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Madison's business-type activities.

Budgetary Highlights

There was no difference between the original budget and the final adopted budget.

CITY OF MADISON, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

Capital Asset and Debt Administration

Capital Assets. The City of Madison's investment in capital assets for its business-type activities as of September 30, 2025, amounts to \$3,983,259 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events (greater than \$20,000) during the current fiscal year included the following:

- 2 – 2023 Dodge Durango patrol vehicles - \$77,650
- 2 sets of airpaks - \$23,437
- Police building and land - \$369,834
- 2024 Ford ambulance - \$269,085
- HVAC replacement - \$497,625

City of Madison's Capital Assets
(net of depreciation)

	<u>Year Ended</u> <u>September 30, 2025</u>	<u>Year Ended</u> <u>September 30, 2024</u>
	<u>Business-type</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Land	\$ 29,740	\$ 29,740
Construction in progress	-	24,242
Buildings	262,683	286,457
Distribution systems	251,701	307,668
Equipment	3,439,135	3,655,799
Total	\$ 3,983,259	\$ 4,303,906

Additional information on the City of Madison's capital assets can be found in Note C4 on page 36 of this report.

Long-term debt. At the end of the current fiscal year, the City of Madison had a total long-term debt outstanding of \$1,028,082.

City of Madison's Outstanding Debt

	<u>Year Ended September 30, 2025</u>			<u>Year Ended September 30, 2024</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Notes payable	\$ 911,982	\$ 116,100	\$ 1,028,082	\$ 748,252	\$ 229,937	\$ 978,189

CITY OF MADISON, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2025

The City of Madison's total debt increased by \$49,893 (5.1 percent) during the current fiscal year due to scheduled payments and entering into a new loan for the police building.

Additional information on the City of Madison's long-term debt can be found in Note C5 on pages 37 and 38 and in Note D4 on pages 41-43 of this report.

Economic Factors and Next Year's Budgets and Rates

- Property tax asking for the year ending September 30, 2026, is \$369,345, an increase of \$13,778 (3.9 percent) from the prior year.
- The City has commitments totaling \$416,899 on paving improvements and \$7,000 on a water line relocation. Additional information can be found in Note D3 on page 40 and 41 of this report.
- Water and sewer rates were increased effective December 1, 2025.

All of these factors were considered in preparing the City of Madison's budget for the year ending September 30, 2026.

Request for Information

This financial report is designed to provide a general overview of the City of Madison's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Treasurer, City of Madison, 211 S. Lincoln Street, Madison, NE 68748.

CITY OF MADISON, NEBRASKA
STATEMENT OF NET POSITION
September 30, 2025

	Primary Government			Component Units (Modified Cash Basis)
	Governmental Activities (Modified Cash Basis)	Business-type Activities (Accrual Basis)	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,280,120	\$ 4,671,722	\$ 5,951,842	\$ 69,556
County treasurer cash	66,467	-	66,467	3,117
Receivables:				
Accounts	-	207,264	207,264	-
Unbilled revenue	-	693,922	693,922	-
Current portion of notes	-	116,100	116,100	-
Inventory	-	152,673	152,673	-
Prepaid expenses	-	178,603	178,603	-
Total current assets	<u>1,346,587</u>	<u>6,020,284</u>	<u>7,366,871</u>	<u>72,673</u>
Noncurrent assets:				
Restricted cash and cash equivalents	617,952	72,374	690,326	-
Capital assets:				
Land	-	29,740	29,740	-
Other capital assets, net of depreciation	-	3,953,519	3,953,519	-
Net capital assets	<u>-</u>	<u>3,983,259</u>	<u>3,983,259</u>	<u>-</u>
Total noncurrent assets	<u>617,952</u>	<u>4,055,633</u>	<u>4,673,585</u>	<u>-</u>
Total assets	<u>1,964,539</u>	<u>10,075,917</u>	<u>12,040,456</u>	<u>72,673</u>
LIABILITIES				
Current liabilities:				
Accounts payable	-	524,588	524,588	-
Accrued expenses	-	46,786	46,786	-
Customer deposits	-	72,374	72,374	-
Current portion of long-term obligations	-	116,100	116,100	-
Total liabilities	<u>-</u>	<u>759,848</u>	<u>759,848</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	-	3,867,159	3,867,159	-
Restricted for:				
Street improvements	386,867	-	386,867	-
Sewer improvements	89,919	-	89,919	-
Public safety	141,166	-	141,166	-
Unrestricted	<u>1,346,587</u>	<u>5,448,910</u>	<u>6,795,497</u>	<u>72,673</u>
Total net position	<u>\$ 1,964,539</u>	<u>\$ 9,316,069</u>	<u>\$ 11,280,608</u>	<u>\$ 72,673</u>

See notes to financial statements.

CITY OF MADISON, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Primary government:			
Governmental activities (modified cash basis):			
General government	\$ 263,685	\$ 3,106	\$ -
Public safety	500,084	77,800	-
Public works	296,944	-	-
Environment and leisure	355,627	33,528	21,994
Economic development	26,559	-	-
Debt service	214,466	-	-
Capital outlay	938,748	-	-
Total governmental activities	2,596,113	114,434	21,994
Business-type activities (accrual basis):			
Electric	7,156,556	6,671,847	-
Water	335,075	367,809	-
Sewer	407,819	348,939	-
Total business-type activities	7,899,450	7,388,595	-
Total primary government	\$ 10,495,563	\$ 7,503,029	\$ 21,994
Component units (modified cash basis):			
Library Foundation	\$ 3,565	\$ -	\$ 3,000
Community Redevelopment Authority	19,266	-	-
Total component units	\$ 22,831	\$ -	\$ 3,000

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position			Component Units (Modified Cash Basis)
	Primary Government			
	Governmental Activities (Modified Cash Basis)	Business-type Activities (Accrual Basis)	Total	
\$ -	\$ (260,579)		\$ (260,579)	
-	(422,284)		(422,284)	
-	(296,944)		(296,944)	
-	(300,105)		(300,105)	
-	(26,559)		(26,559)	
-	(214,466)		(214,466)	
-	(938,748)		(938,748)	
-	(2,459,685)	\$ -	(2,459,685)	
-	-	(484,709)	(484,709)	
-	-	32,734	32,734	
-	-	(58,880)	(58,880)	
-	-	(510,855)	(510,855)	
\$ -	(2,459,685)	(510,855)	(2,970,540)	
\$ -				\$ (565)
-				(19,266)
\$ -				(19,831)
General revenues:				
Taxes:				
Property	356,097	-	356,097	-
Motor vehicle	43,668	-	43,668	-
Sales tax	363,216	-	363,216	-
TIF	-	-	-	7,947
State allocation	766,121	-	766,121	-
Franchise fees	1,087,884	-	1,087,884	-
Lease and rent	264,206	-	264,206	-
Miscellaneous	146,179	-	146,179	480
Interest income	196,396	4,032	200,428	879
Gain on disposal of property	11,213	-	11,213	-
Transfer from City to CRA	(20,000)	-	(20,000)	20,000
Interfund transfers	(117,869)	117,869	-	-
Total general revenues	3,097,111	121,901	3,219,012	29,306
Change in net position	637,426	(388,954)	248,472	9,475
Net position - September 30, 2024	1,327,113	9,705,023	11,032,136	63,198
Net position - September 30, 2025	\$ 1,964,539	\$ 9,316,069	\$ 11,280,608	\$ 72,673

CITY OF MADISON, NEBRASKA

**BALANCE SHEET - MODIFIED CASH BASIS -
GOVERNMENTAL FUNDS**

September 30, 2025

	<u>General</u>	<u>Street</u>	<u>Nursing Home</u>	<u>Sales Tax</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,225,299	\$ 386,867	\$ 54,821	\$ 231,085	\$ 1,898,072
County treasurer cash	66,467	-	-	-	66,467
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 1,291,766	\$ 386,867	\$ 54,821	\$ 231,085	\$ 1,964,539
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES					
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:					
Restricted for:					
Street improvements	-	386,867	-	-	386,867
Sewer improvements	-	-	-	89,919	89,919
Public safety	-	-	-	141,166	141,166
Assigned for:					
Nursing home	-	-	54,821	-	54,821
Budgetary stabilization	210,201	-	-	-	210,201
Unassigned	1,081,565	-	-	-	1,081,565
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	1,291,766	386,867	54,821	231,085	1,964,539
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 1,291,766	\$ 386,867	\$ 54,821	\$ 231,085	\$ 1,964,539
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

See notes to financial statements.

CITY OF MADISON, NEBRASKA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**

For the year ended September 30, 2025

	<u>General</u>	<u>Street</u>	<u>Nursing Home</u>	<u>Sales Tax</u>	Total <u>Governmental Funds</u>
REVENUES					
Taxes:					
Property	\$ 311,462	\$ 44,635	\$ -	\$ -	\$ 356,097
Motor vehicle	-	43,668	-	-	43,668
Sales	-	84,262	-	278,954	363,216
Intergovernmental	331,110	435,011	-	-	766,121
Licenses and permits	16,103	-	-	-	16,103
Franchise fees	1,087,884	-	-	-	1,087,884
Lease and rent	2,630	-	261,576	-	264,206
Charges for services	98,331	-	-	-	98,331
Grants and contributions	21,994	-	-	-	21,994
Interest income	195,636	-	760	-	196,396
Sale of property	11,213	-	-	-	11,213
Other income	143,225	2,954	-	-	146,179
Total revenues	<u>2,219,588</u>	<u>610,530</u>	<u>262,336</u>	<u>278,954</u>	<u>3,371,408</u>
EXPENDITURES					
General government	263,685	-	-	-	263,685
Public safety	500,084	-	-	-	500,084
Public works	25,764	271,180	-	-	296,944
Environment and leisure	355,627	-	-	-	355,627
Economic development	26,559	-	-	-	26,559
Capital outlay	929,748	9,000	-	-	938,748
Principal payments on debt	-	-	196,270	-	196,270
Interest payments on debt	-	-	18,196	-	18,196
Total expenditures	<u>2,101,467</u>	<u>280,180</u>	<u>214,466</u>	<u>-</u>	<u>2,596,113</u>
Excess of revenues over expenditures	118,121	330,350	47,870	278,954	775,295
OTHER FINANCING SOURCES					
Transfers in	238,932	-	-	-	238,932
Transfers out	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>(356,801)</u>	<u>(376,801)</u>
Net transfers	<u>218,932</u>	<u>-</u>	<u>-</u>	<u>(356,801)</u>	<u>(137,869)</u>
Net change in fund balances	337,053	330,350	47,870	(77,847)	637,426
Fund balances - September 30, 2024	<u>954,713</u>	<u>56,517</u>	<u>6,951</u>	<u>308,932</u>	<u>1,327,113</u>
Fund balances - September 30, 2025	<u>\$ 1,291,766</u>	<u>\$ 386,867</u>	<u>\$ 54,821</u>	<u>\$ 231,085</u>	<u>\$ 1,964,539</u>

See notes to financial statements.

CITY OF MADISON, NEBRASKA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2025

	Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,294,784	\$ 299,270	\$ 77,668	\$ 4,671,722
Accounts receivable	147,240	25,983	34,041	207,264
Unbilled revenue	616,110	50,161	27,651	693,922
Current portion of notes receivable	116,100	-	-	116,100
Inventory	126,292	11,942	14,439	152,673
Prepaid insurance	110,857	33,873	33,873	178,603
Total current assets	5,411,383	421,229	187,672	6,020,284
Noncurrent assets:				
Restricted cash and cash equivalents	72,374	-	-	72,374
Capital assets:				
Land	9,580	15,365	4,795	29,740
Distribution systems	3,795,620	2,720,838	3,386,850	9,903,308
Buildings and improvements	716,605	302,436	30,960	1,050,001
Equipment	1,357,413	119,879	156,939	1,634,231
Less accumulated depreciation	(4,212,807)	(2,318,465)	(2,102,749)	(8,634,021)
Net capital assets	1,666,411	840,053	1,476,795	3,983,259
Total noncurrent assets	1,738,785	840,053	1,476,795	4,055,633
Total assets	7,150,168	1,261,282	1,664,467	10,075,917
LIABILITIES				
Current liabilities:				
Accounts payable	516,795	4,101	3,692	524,588
Accrued wages	6,778	2,989	2,989	12,756
Accrued compensated absences	13,747	4,588	4,588	22,923
Sales tax payable	9,552	222	1,333	11,107
Customer deposits	72,374	-	-	72,374
Current portion of long-term obligations	-	-	116,100	116,100
Total liabilities	619,246	11,900	128,702	759,848
NET POSITION				
Net investment in capital assets	1,666,411	840,053	1,360,695	3,867,159
Unrestricted	4,864,511	409,329	175,070	5,448,910
Total net position	\$ 6,530,922	\$ 1,249,382	\$ 1,535,765	\$ 9,316,069

See notes to financial statements.

CITY OF MADISON, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS

For the year ended September 30, 2025

	Enterprise Funds			Total
	Electric Fund	Water Fund	Sewer Fund	
Operating revenues:				
Sales	\$ 6,614,133	\$ 363,431	\$ 345,133	\$ 7,322,697
Other revenue	57,714	4,378	3,806	65,898
Total operating revenues	6,671,847	367,809	348,939	7,388,595
Operating expenses:				
Cost of power	5,528,681	-	-	5,528,681
Franchise fee	878,474	-	-	878,474
Personnel costs	312,096	137,960	137,275	587,331
Contract services	5,349	6,888	3,447	15,684
Utilities	13,437	13,950	16,012	43,399
Fuel and transportation	5,041	4,094	3,965	13,100
Dues, memberships, and training	4,363	3,394	2,509	10,266
Professional fees	18,439	7,635	12,303	38,377
Insurance	74,976	22,909	22,909	120,794
Repairs and maintenance	68,347	36,928	61,843	167,118
Supplies	99,391	23,013	19,012	141,416
Other expenses	6,418	2,575	2,041	11,034
Depreciation	141,544	75,729	122,471	339,744
Total operating expenses	7,156,556	335,075	403,787	7,895,418
Operating income (loss)	(484,709)	32,734	(54,848)	(506,823)
Nonoperating revenues (expenses):				
Interest income	4,032	-	-	4,032
Interest expense	-	-	(4,032)	(4,032)
Total nonoperating revenues (expenses)	4,032	-	(4,032)	-
Excess (deficiency) of revenues over expenses before transfers	(480,677)	32,734	(58,880)	(506,823)
Interfund transfers:				
Transfers from other funds	-	-	117,869	117,869
Change in net position	(480,677)	32,734	58,989	(388,954)
Net position - September 30, 2024	7,011,599	1,216,648	1,476,776	9,705,023
Net position - September 30, 2025	\$ 6,530,922	\$ 1,249,382	\$ 1,535,765	\$ 9,316,069

See notes to financial statements.

CITY OF MADISON, NEBRASKA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS**

For the year ended September 30, 2025

	Electric Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 6,683,119
Payments to suppliers	(6,763,531)
Payments to employees	(307,170)
Net cash provided (used) by operating activities	(387,582)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers from other funds	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of property and equipment	-
Principal payments on long-term debt	-
Interest paid on long-term debt	-
Net cash used by capital and related financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES:	
Decrease in restricted cash and cash equivalents	450
Payments received on notes receivable	113,837
Interest received	4,032
Net cash provided by investing activities	118,319
Increase (decrease) in cash and cash equivalents	(269,263)
Cash and cash equivalents - beginning of the year	4,564,047
Cash and cash equivalents - end of the year	\$ 4,294,784
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (484,709)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	141,544
Change in assets and liabilities:	
Accounts receivable and unbilled revenue	11,272
Inventories	(3,576)
Prepaid insurance	(45,959)
Accounts payable	(9,610)
Accrued wages and compensated absences	4,926
Sales tax payable	(1,020)
Customer deposits	(450)
Net cash provided (used) by operating activities	\$ (387,582)

See notes to financial statements.

Enterprise Funds

<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
\$ 373,646	\$ 345,371	\$ 7,402,136
(137,546)	(159,497)	(7,060,574)
<u>(135,364)</u>	<u>(134,679)</u>	<u>(577,213)</u>
100,736	51,195	(235,651)
-	117,869	117,869
(12,502)	(6,595)	(19,097)
-	(113,837)	(113,837)
-	(4,032)	(4,032)
<u>(12,502)</u>	<u>(124,464)</u>	<u>(136,966)</u>
-	-	450
-	-	113,837
-	-	4,032
<u>-</u>	<u>-</u>	<u>118,319</u>
88,234	44,600	(136,429)
<u>211,036</u>	<u>33,068</u>	<u>4,808,151</u>
<u>\$ 299,270</u>	<u>\$ 77,668</u>	<u>\$ 4,671,722</u>
\$ 32,734	\$ (54,848)	\$ (506,823)
75,729	122,471	339,744
5,837	(3,568)	13,541
(354)	-	(3,930)
(14,043)	(14,043)	(74,045)
(1,739)	(1,271)	(12,620)
2,596	2,596	10,118
(24)	(142)	(1,186)
-	-	(450)
<u>\$ 100,736</u>	<u>\$ 51,195</u>	<u>\$ (235,651)</u>

CITY OF MADISON, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

INDEX

	Page
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
1. Financial Reporting Entity	21
2. Basis of Presentation	22
3. Measurement Focus and Basis of Accounting	24
4. Assets, Liabilities, and Equity	26
5. Revenues, Expenditures, and Expenses	30
NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
1. Fund Accounting Requirements	32
2. Deposit Laws and Regulations	32
3. Revenue Restrictions	32
4. Debt Restrictions and Covenants	32
5. Budgetary Data	33
NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS	
1. Cash and Certificates of Deposit	34
2. Restricted Assets	35
3. Notes Receivable	35
4. Capital Assets	36
5. Long-term Debt	37
6. Accrued Compensated Absences	38
7. Interfund Transactions	38
NOTE D – OTHER NOTES	
1. Employee Pension Plans	38
2. Risk Management	39
3. Commitments	40
4. Long-term Debt	41
5. Tax Abatement	44
6. Subsequent Events	44

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Madison, Nebraska (City) are prepared in accordance with the modified cash basis of accounting for the governmental funds and the accrual basis for the proprietary funds. The City’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

1. Financial Reporting Entity

The City of Madison, Nebraska, was incorporated in 1867. The City operates under a Mayor-Council form of government with an elected Mayor, and an elected legislative body, Council, composed of four members. The Mayor is elected at large for a four-year term, and the four members of the City Council are elected on four-year terms. The administration of the City government is performed under the direction of the Mayor by the City Clerk and City Treasurer. Services provided to residents include public safety, highways and streets, planning and zoning, health and social services, culture and recreation, electric, water, sanitary sewer systems, sanitation, and general administrative services.

The City’s financial reporting entity comprises the following:

Primary Government:	City of Madison
Discretely Presented Component Units:	Library Foundation Community Redevelopment Authority

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable, and, as such, should be included within the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the primary government is required to consider 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.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City by appropriate activity type to compose the primary government presentation. Currently, the City has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The following are the discretely presented component units:

Brief Description of Activities and Relationship
to the City:

Community Redevelopment Authority

Established to assist the City in redevelopment activities. Information included in these financial statements is from the entity's fiscal year ended September 30, 2025.

Library Foundation

Established to raise funds to support the operation of the Madison Public Library. Information included in these financial statements is for the twelve months ended September 30, 2025.

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

Major:

Governmental:

General	See page 23 for description.
Street	The Street Fund is a special revenue fund that accounts for the City’s share of highway allocation from the State of Nebraska.
Nursing Home	The Nursing Home is a special revenue fund that accounts for the lease revenue from City owned Countryside Home that is leased to Arbor Care Centers-Countryside LLC.
Sales Tax	Accounts for the collection of the City sales tax.

Proprietary:

Enterprise: Electric, Water, and Sewer	See above for description.
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3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b, below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide and fund financial statements, governmental activities and the discretely presented component units are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Under the modified cash basis of accounting, proceeds from issuance of long-term debt is reflected as revenue and payment of long-term debt principal is recognized as an expense. Capital outlay is expensed and depreciation is not recognized. Right of use assets and related lease liabilities, as defined by GASB 87 and 96, are not reflected in the accompanying modified cash basis financial statements.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Basis of Accounting, continued

Business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used.

4. Assets, Liabilities, and Equity

Estimates

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

Cash and Certificates of Deposit

For the purpose of the Statement of Net Position, “cash and cash equivalents” include all demand accounts and savings accounts. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all cash on hand, demand accounts, savings accounts, and equity in pooled cash which has an original maturity of three months or less. The County Treasurer’s cash represents revenues collected but not yet remitted to the City.

Certificates of deposit are carried at cost, which approximates fair market value. Additional cash and investment disclosures are presented in Notes B2, C1, and D2.

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

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Business-type activities report utility billings as their major receivables.

In the fund financial statements, proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable compose the majority of proprietary fund receivables.

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Restricted Assets

Restricted assets include cash and certificates of deposit that are legally restricted as to their use. The primary restricted assets are related to debt service and proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations.

Government-wide Statements

In the government-wide and fund financial statements, capital assets are accounted for in the business-type activities. Capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Depreciation for all proprietary capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The ranges of estimated useful lives by type of asset are as follows:

Buildings	10-40 years
Distribution systems	10-40 years
Equipment	5-30 years

The governmental funds are reported on the modified cash basis of accounting so purchases of capital assets are recorded as disbursements in the financial statements.

Compensated Absences

During the year ended September 30, 2025, the City adopted GASB No. 101, *Compensated Absences*. The City's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. In the event of termination, an employee is paid for all unused accumulated vacation time but accumulated sick leave is not paid. Accumulated vacation and sick leave are accrued based on the likelihood of time used in the accompanying proprietary funds financial statement but not in the governmental funds.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations.

Business-type activities

All long-term debt to be repaid from business-type resources is reported as liabilities. The long-term debt consists of notes and bonds payable.

Governmental activities

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

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted net position” or “net investment in capital assets.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Effective October 1, 2010, the City has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

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

Restricted—Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

Assigned—Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the City Council.

Unassigned—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 15). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the City Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

The City presently levies a 1 1/2-cent sales tax on taxable sales within the City. The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. The sales tax is recorded in the Sales Tax Fund to be used for budget appropriations. Sales tax collected on the sale of motor vehicles is recorded in the Street Fund as required by LB904.

Property Taxes

The City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within six months thereafter, as well as taxes authorized by state law.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Property Taxes, continued

The tax levies for all political subdivisions in Madison County are certified by the County Board on or before October 20. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for 2024-2025 are recorded as revenue when received by the County.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. They also include all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to the use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity is classified as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component unit are subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows:

1. Fund Accounting Requirements

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include Special Revenue Funds.

2. Deposit Laws and Regulations

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The City's demand deposits are insured up to \$250,000 and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any bank deposits in excess of the FDIC limits are insured by collateral held by the pledging institution in the City's name.

3. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are described in Note A2 for the various funds.

4. Debt Restrictions and Covenants

Bonds Payable

The various bond ordinances relating to the bonds payable contain some restrictions or covenants that are finance-related. These include covenants such as debt service coverage requirements and required reserve account balances. The City is in compliance with the bond restrictions and covenants.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data

The City is required by state laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

The City follows these procedures in establishing the budgetary data reflected in the accompanying financial statements.

- a. On or before August 1, the City prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 30, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 20. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The City of Madison adopts a budget by resolution for all fund types.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the financial statements for the City’s various assets, liabilities, equity, revenues, and expenditures/expenses.

1. Cash and Certificates of Deposit

Deposits

The City’s policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2025. The categories of collateral are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the City (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City’s name; or collateralized with no written or approved collateral agreement.

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Cash and certificates of deposit	\$ 6,707,075	\$ 6,707,075	\$ -	\$ -	\$ <u>6,711,724</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –	
Unrestricted cash and cash equivalents	\$ 5,951,842
Restricted cash and cash equivalents	<u>690,326</u>
Total primary governments	6,642,168
Component Units –	
Unrestricted cash and cash equivalents	<u>69,556</u>
Total	<u>\$ 6,711,724</u>

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

2. Restricted Assets

The governmental activities restricted assets as of September 30, 2025, consisted of \$386,867 in the Street Fund restricted for street improvements, \$89,919 in the Sales Tax Fund restricted for sewer improvements and \$141,166 in the Sales Tax Fund restricted for public safety.

The business-type activities restricted assets as of September 30, 2025, consisted of \$72,374 in the Electric Fund restricted for customer deposits.

3. Notes Receivable

Business-type Activities

Notes receivable at September 30, 2025, consisted of the following:

The Electric Fund loaned excess cash reserves to the Sewer Fund to pay off a Nebraska Department Water, Energy and Environment loan. The principal and interest at 2.00 percent is due in semi-annual installments of \$58,935 through June 15, 2026.	\$ <u>116,100</u>
Current portion	\$ 116,100
Noncurrent portion	<u>-</u>
Total	\$ <u>116,100</u>

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Capital Assets

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

	Balance at October 1, <u>2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	Balance at September 30, <u>2025</u>
<u>Business-type Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 29,740	\$ -	\$ -	\$ -	\$ 29,740
Construction in progress	<u>24,242</u>	<u>-</u>	<u>-</u>	<u>(24,242)</u>	<u>-</u>
Total capital assets not being depreciated	53,982	-	-	(24,242)	29,740
Other capital assets being depreciated:					
Buildings	1,050,001	-	-	-	1,050,001
Distribution systems	9,866,564	12,502	-	24,242	9,903,308
Equipment	<u>1,627,636</u>	<u>6,595</u>	<u>-</u>	<u>-</u>	<u>1,634,231</u>
Total other capital assets at historical cost	12,544,201	19,097	-	24,242	12,587,540
Less accumulated depreciation for:					
Buildings	(763,544)	(23,774)	-	-	(787,318)
Distribution systems	(6,210,765)	(253,408)	-	-	(6,464,173)
Equipment	<u>(1,319,968)</u>	<u>(62,562)</u>	<u>-</u>	<u>-</u>	<u>(1,382,530)</u>
Total accumulated depreciation	<u>(8,294,277)</u>	<u>(339,744) *</u>	<u>-</u>	<u>-</u>	<u>(8,634,021)</u>
Other capital assets, net	<u>4,249,924</u>	<u>(320,647)</u>	<u>-</u>	<u>24,242</u>	<u>3,953,519</u>
Business-type capital assets, net	<u>\$ 4,303,906</u>	<u>\$ (320,647)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,983,259</u>

* Depreciation expense was charged to functions as follows:

Electric	\$ 141,544
Water	75,729
Sewer	<u>122,471</u>
Total business-type activities depreciation expense	<u>\$ 339,744</u>

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Long-term Debt

The reporting entity’s long-term debt is segregated between the amounts to be repaid from governmental activities, amounts to be repaid from business-type activities and amounts to be repaid from component units. The governmental activities and component units are reported on the modified cash basis of accounting so long-term debt is not recorded.

Changes in Long-term Debt

The following is a summary of changes in business-type activities’ long-term debt for the year ended September 30, 2025:

<u>Type of Debt</u>	Balance October 1, 2024	<u>Additions</u>	<u>Deductions</u>	Balance September 30, 2025	Amounts Due Within <u>One Year</u>
Business-type Activities:					
Note payable	\$ 229,937	\$ -	\$ (113,837)	\$ 116,100	\$ 116,100

Business-type Activities

As of September 30, 2025, the long-term debt payable from proprietary fund resources consisted of the following:

The Sewer Fund borrowed from the Electric Fund to pay off a Nebraska Department of Water, Energy and Environment loan. The principal and interest at 2.00 percent is due in semi-annual installments of \$58,935 through June 15, 2026.	\$ <u>116,100</u>
Current portion	\$ 116,100
Noncurrent portion	<u>-</u>
Total	\$ <u>116,100</u>

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

5. Long-term Debt, continued

Business-type Activities, continued

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2025, are as follows:

Year Ending September 30,	<u>Business-type Activities</u>	
	<u>Direct Placement Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 116,100	\$ 1,769

6. Accrued Compensated Absences

Accrued compensated absences for the business-type activities consisted of the following as of September 30, 2025:

	Balance Beginning of <u>Year</u>	<u>Additions</u>	<u>Deductions</u>	Balance End of Year <u>2025</u>
Accrued vacation and sick leave	\$ 13,377	\$ 9,546	\$ -	\$ 22,923

7. Interfund Transactions

The General Fund transferred \$20,000 to the CRA and the Sales Tax Fund transferred \$117,869 to the Sewer Fund and \$238,932 to the General Fund during the year ended September 30, 2025.

NOTE D – OTHER NOTES

1. Employee Pension Plans

The City maintains a contributory pension plan for its employees under Internal Revenue Code Section 403(b). Employees must contribute 6.0 percent of their base salary to the plan. The City matches the 6.0 percent contribution. Employees may also make voluntary contributions up to 25.0 percent. The employee contributions are 100 percent vested immediately, with the employer contributions fully vesting after six years. The City made contributions totaling \$18,285 and employees made contributions totaling \$29,050 during the year ended September 30, 2025.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

2. Risk Management

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City’s investments at September 30, 2025, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City’s investments consist of certificates of deposit, money market funds, and other securities backed by U.S. Government obligations, minimizing credit risk associated with the City’s investment portfolio.

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City’s investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2025.

Concentration of Credit Risk. The City’s investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2025, the City’s cash and cash equivalents consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Frontier Bank	<u>\$ 6,642,168</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates.

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

3. Commitments

Leases

On December 21, 2022, the City entered into a sixty-month lease for a 2019 JD 5100M utility tractor and 2020 JD 540M loader from Kansas State Bank. Rent of \$1,408 is due monthly through November 2027.

On June 10, 2024, the City entered into a sixty-month lease for a Cat 938 wheel loader from Caterpillar Financial. Rent of \$3,999 is due monthly through May 2029.

Rent expense was \$64,881 for the year ended September 30, 2025. The following payments are due under the leases:

<u>Year Ending</u> <u>September 30,</u>	
2026	\$ 64,881
2027	50,805
2028	47,990
2029	31,993
	<u>\$ 195,669</u>

GASB 87 has not been applied to any of the City’s leases as the City does not deem the right to use assets and related lease liability obligations to be material to the government-wide and the fund financial statements.

Construction

The City’s governmental activities had the following commitments as of September 30, 2025:

<u>Company</u>	<u>Project</u>	<u>Contract</u> <u>Amount</u>	<u>Paid</u> <u>Through</u> <u>9/30/2025</u>	<u>Obligation</u> <u>Pending</u>	<u>Expected</u> <u>Completion</u> <u>Date</u>
Advanced Consulting Engineering Services	2025 paving improvements	\$ 21,000	\$ 9,000	\$ 12,000	November 2025
Gehring Construction and Ready Mix Co. Inc.	2025 paving improvements	404,899	-	404,899	November 2025
		<u>\$ 425,899</u>	<u>\$ 9,000</u>	<u>\$ 416,899</u>	

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

3. Commitments, continued

The City’s business-type activities had the following commitments as of September 30, 2025:

<u>Company</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/2025</u>	<u>Obligation Pending</u>	<u>Expected Completion Date</u>
Advanced Consulting Engineering Services	Water line relocation	\$ 8,500	\$ 1,500	\$ 7,000	September 2026

4. Long-term Debt

The governmental activities are reported on the modified cash basis of accounting so long-term debt is not reported as a liability in the financial statements.

Changes in Long-term Debt

The following is a summary of changes in governmental activities and component unit long-term debt for the year ended September 30, 2025:

<u>Type of Debt</u>	<u>Balance October 1, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2025</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Note payable	\$ 748,252	\$ 360,000	\$ (196,270)	\$ 911,982	\$ 281,690
Component Unit:					
Community Redevelopment Authority:					
Notes payable	\$ 18,983	\$ -	\$ (18,983)	\$ -	\$ -

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

4. Long-term Debt, continued

Governmental Activities

As of September 30, 2025, the governmental long-term liabilities consisted of the following:

On October 27, 2021, the City entered into a loan agreement with Pinnacle Bank in the amount of \$1,300,000 to refinance debt and finance a RTU replacement. The loan payments of \$17,038 are due in monthly installments beginning November 15, 2021, with the final payment due October 15, 2028. The loan bears an interest rate of 2.75 percent. Paid by the Nursing Home Fund. \$ 551,982

The City entered into a loan agreement with P M Enterprises, LLC in August 2025, in the amount of \$360,000 for a building. The loan payments of \$90,000 are due in annual installments beginning February 1, 2026, with the final payment due February 1, 2029. The loan is non-interest bearing. Paid by the General Fund. 360,000

\$ 911,982

Current portion \$ 281,690

Noncurrent portion 630,292

Total \$ 911,982

Component Unit Activities – Community Redevelopment Authority

As of September 30, 2025, the component unit long-term liabilities consisted of the following:

On December 6, 2011, the CRA entered into a loan agreement with the City in the amount of \$100,000 for project costs paid by the City. The loan payments of \$2,902 are due in semi-annual installments beginning June 1, 2012, with the final payment due December 1, 2025. The loan bears an interest rate of 2.00 percent. This loan was forgiven during the year ended September 30, 2025. \$ -

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

4. Long-term Debt, continued

Component Unit Activities – Community Redevelopment Authority

On December 1, 2016, the CRA entered into a loan agreement with the City in the amount of \$100,000 for project costs paid by the City. The loan payments of \$2,622 are due in semi-annual installments beginning June 1, 2017, with the final payment due December 1, 2025. The loan bears an interest rate of 2.00 percent. This loan was forgiven during the year ended September 30, 2025.

-
\$ -

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2025, are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental Activities</u>	
	<u>Direct Placement Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 281,690	\$ 12,775
2027	287,028	7,437
2028	253,264	2,012
2029	90,000	-
	<u>\$ 911,982</u>	<u>\$ 22,224</u>

CITY OF MADISON, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

NOTE D – OTHER NOTES, continued

5. Tax Abatement

The Madison Community Redevelopment Authority (CRA), who is authorized by Nebraska statutes to enter into property tax abatement agreements for the purpose of developing properties in blighted areas, has entered into tax increment financing (TIF) agreements with various redevelopers. The TIF program has the stated purpose of increasing valuation, business activity and employment in the community.

Under the TIF program, redevelopers can apply for TIF financing whereby the property tax they pay on the increased valuation of property under a TIF agreement is returned to the redeveloper by the CRA to finance the project for a period of up to 15 years.

Information relevant to the abatements granted by the CRA for the year ended September 30, 2025 is as follows:

<u>TIF Project:</u>	<u>Years Remaining on TIF Agreements</u>	<u>2025 TIF Valuation</u>	<u>TIF Proceeds Received during the year 9-30-2025</u>
Conover Properties	10	\$ 525,147	\$ 7,947

6. Subsequent Events

Management has evaluated subsequent events through April 3, 2026, the date on which the financial statements were available for issue.

SUPPLEMENTARY AND OTHER INFORMATION

CITY OF MADISON, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

Year ended September 30, 2025

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 312,137	\$ 311,462	\$ (675)
Intergovernmental	320,499	331,110	10,611
Licenses and permits	5,250	16,103	10,853
Franchise fees	988,440	1,087,884	99,444
Lease and rent	2,000	2,630	630
Charges for services	98,200	98,331	131
Grants and contributions	4,000	21,994	17,994
Interest income	150,000	195,636	45,636
Loan collections	11,048	-	(11,048)
Sale of property	-	11,213	11,213
Other income	58,500	143,225	84,725
	<hr/>	<hr/>	<hr/>
Total resources	1,950,074	2,219,588	269,514
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Governmental:			
General government	236,345	263,685	27,340
Public safety	552,001	500,084	(51,917)
Public works	13,750	25,764	12,014
Environment and leisure	302,655	355,627	52,972
Economic development	40,000	26,559	(13,441)
Capital outlay	1,331,500	929,748	(401,752)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	2,476,251	2,101,467	(374,784)
Resources over (under) charges to appropriations	(526,177)	118,121	644,298
OTHER FINANCING SOURCES (USES)			
Transfers in	351,770	238,932	(112,838)
Transfers out	(290,000)	(20,000)	270,000
Net transfers	<hr/>	<hr/>	<hr/>
	61,770	218,932	157,162
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS			
	<hr/>	<hr/>	<hr/>
	\$ (464,407)	\$ 337,053	\$ 801,460

CITY OF MADISON, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
STREET FUND**

Year ended September 30, 2025

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 39,910	\$ 44,635	\$ 4,725
Motor vehicle	44,000	43,668	(332)
Sales	88,000	84,262	(3,738)
Intergovernmental	446,071	435,011	(11,060)
Other income	-	2,954	2,954
	<hr/>	<hr/>	<hr/>
Total resources	617,981	610,530	(7,451)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Governmental:			
Public works	338,934	271,180	(67,754)
Capital outlay	850,000	9,000	(841,000)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	1,188,934	280,180	(908,754)
Resources over charges to appropriations	(570,953)	330,350	901,303
OTHER FINANCING SOURCES			
Transfers in	600,000	-	(600,000)
	<hr/>	<hr/>	<hr/>
RESOURCES AND OTHER FINANCING SOURCES OVER CHARGES TO APPROPRIATIONS	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 29,047	\$ 330,350	\$ 301,303

CITY OF MADISON, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
NURSING HOME FUND**

Year ended September 30, 2025

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Lease and rent	\$ 223,200	\$ 261,576	\$ 38,376
Interest income	400	760	360
	<hr/>	<hr/>	<hr/>
Total resources	223,600	262,336	38,736
 CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Governmental:			
Capital outlay	20,000	-	(20,000)
Principal payments on debt	186,306	196,270	9,964
Interest payments on debt	18,159	18,196	37
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	224,465	214,466	(9,999)
 RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ (865)	\$ 47,870	\$ 48,735

CITY OF MADISON, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
SALES TAX FUND

Year ended September 30, 2025

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Sales	\$ 298,000	\$ 278,954	\$ (19,046)
OTHER FINANCING USES			
Transfers out	<u>(569,982)</u>	<u>(356,801)</u>	<u>213,181</u>
RESOURCES UNDER OTHER FINANCING USES	<u>\$ (271,982)</u>	<u>\$ (77,847)</u>	<u>\$ 194,135</u>

CITY OF MADISON, NEBRASKA

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES -
MODIFIED CASH BASIS - GENERAL FUND DEPARTMENTS**

Year ended September 30, 2025

	<u>Administrative</u>	<u>Police</u>	<u>Fire</u>
REVENUES			
Taxes:			
Property	\$ 16,055	\$ 126,991	\$ 36,124
Intergovernmental receipts	15,821	126,570	46,896
Licenses and permits	3,106	12,997	-
Franchise fees	1,087,884	-	-
Lease and rent	2,630	-	-
Charges for services	-	-	-
Grants and contributions	-	-	-
Interest income	195,635	-	-
Sale of property	-	-	-
Other receipts	18,115	-	34,626
Total revenues	<u>1,339,246</u>	<u>266,558</u>	<u>117,646</u>
EXPENDITURES			
Personnel services:			
Salaries and benefits	69,743	294,310	1,000
Operating expenses:			
Insurance	29,554	17,726	29,586
Professional fees	10,235	10,880	3,444
Meetings, seminars, and dues	4,735	743	7,674
Repairs and maintenance	75,658	19,163	24,448
Printing, postage, and publications	3,878	44	-
Fuel and transportation	-	7,408	378
Utilities and telephone	23,604	4,630	3,671
Total operating expenses	<u>147,664</u>	<u>60,594</u>	<u>69,201</u>
Supplies	11,343	5,658	2,264
Economic development	26,559	-	-
Other expenses	-	-	-
CARES Act repayment	34,935	-	-
Capital outlay	497,625	102,084	39,945
Total expenditures	<u>787,869</u>	<u>462,646</u>	<u>112,410</u>
Excess (deficiency) of revenues over expenditures before transfers	551,377	(196,088)	5,236
OTHER FINANCING SOURCES			
Transfers in	-	196,087	-
Transfers out	<u>(20,000)</u>	<u>-</u>	<u>-</u>
Net transfers	<u>(20,000)</u>	<u>196,087</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 531,377</u>	<u>\$ (1)</u>	<u>\$ 5,236</u>

<u>Rescue</u>	<u>Flood Control</u>	<u>Park</u>	<u>Pool</u>	<u>Library</u>	<u>Total</u>
\$ -	\$ 12,041	\$ 35,961	\$ 28,097	\$ 56,193	\$ 311,462
11,298	11,866	35,598	27,687	55,374	331,110
-	-	-	-	-	16,103
-	-	-	-	-	1,087,884
-	-	-	-	-	2,630
64,803	-	16,710	16,818	-	98,331
-	-	18,539	-	3,455	21,994
-	-	1	-	-	195,636
11,213	-	-	-	-	11,213
75,360	-	1,657	-	13,467	143,225
<u>162,674</u>	<u>23,907</u>	<u>108,466</u>	<u>72,602</u>	<u>128,489</u>	<u>2,219,588</u>
125	-	53,634	39,073	89,930	547,815
16,183	-	6,719	13,093	345	113,206
807	2,468	507	507	742	29,590
9,275	-	-	200	-	22,627
28,445	23,174	66,761	8,853	3,271	249,773
33	-	552	-	592	5,099
2,789	-	1,310	-	-	11,885
3,694	-	3,705	9,759	5,191	54,254
<u>61,226</u>	<u>25,642</u>	<u>79,554</u>	<u>32,412</u>	<u>10,141</u>	<u>486,434</u>
5,583	122	19,184	11,161	19,988	75,303
-	-	-	-	-	26,559
123	-	444	106	-	673
-	-	-	-	-	34,935
<u>269,085</u>	<u>-</u>	<u>21,009</u>	<u>-</u>	<u>-</u>	<u>929,748</u>
<u>336,142</u>	<u>25,764</u>	<u>173,825</u>	<u>82,752</u>	<u>120,059</u>	<u>2,101,467</u>
(173,468)	(1,857)	(65,359)	(10,150)	8,430	118,121
42,845	-	-	-	-	238,932
-	-	-	-	-	(20,000)
<u>42,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,932</u>
<u>\$ (130,623)</u>	<u>\$ (1,857)</u>	<u>\$ (65,359)</u>	<u>\$ (10,150)</u>	<u>\$ 8,430</u>	<u>\$ 337,053</u>

CITY OF MADISON, NEBRASKA
COMBINING STATEMENT OF NET POSITION -
MODIFIED CASH BASIS - COMPONENT UNITS

September 30, 2025

	Library Foundation	Community Redevelopment Authority	Total Component Units
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 26,335	\$ 43,221	\$ 69,556
County treasurer cash	-	3,117	3,117
Total current assets	26,335	46,338	72,673
LIABILITIES	-	-	-
NET POSITION			
Unrestricted	\$ 26,335	\$ 46,338	\$ 72,673

CITY OF MADISON, NEBRASKA

**COMBINING STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS - COMPONENT UNITS**

For the year ended September 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Library Foundation			
Library	\$ 3,565	\$ -	\$ 3,000
Community Redevelopment Authority:			
Economic development	19,266	-	-
Total component units	\$ 22,831	\$ -	\$ 3,000

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Library Foundation</u>	<u>Community Redevelopment Authority</u>	<u>Total Component Units</u>
\$ -	\$ (565)	\$ -	\$ (565)
-	-	(19,266)	(19,266)
<u>\$ -</u>	<u>(565)</u>	<u>(19,266)</u>	<u>(19,831)</u>
General revenues:			
Taxes:			
TIF proceeds	-	7,947	7,947
Miscellaneous	-	480	480
Interest income	94	785	879
Transfer from the City of Madison	-	20,000	20,000
Total general revenues	<u>94</u>	<u>29,212</u>	<u>29,306</u>
Change in net position	(471)	9,946	9,475
Net position - September 30, 2024	<u>26,806</u>	<u>36,392</u>	<u>63,198</u>
Net position - September 30, 2025	<u>\$ 26,335</u>	<u>\$ 46,338</u>	<u>\$ 72,673</u>

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

To the Honorable Mayor and Members of the City Council
City of Madison, Nebraska

We have audited, 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, the financial statements of the governmental activities - modified cash basis, the business-type activities - accrual basis, the aggregate discretely presented component units – modified cash basis, and each major fund - modified cash basis for the governmental funds and accrual basis for the proprietary funds of the City of Madison, Nebraska, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s financial statements, and have issued our report thereon dated April 3, 2026. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the City of Madison, Nebraska, prepares its financial statements for the governmental funds and discretely presented component units on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

SHAREHOLDERS:

Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control described below that we consider to be a significant deficiency.

Segregation of Duties

Due to a limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Madison's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Madison's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Madison's response to the findings identified in our audit and described above. The City of Madison's response to the findings identified in our audit is that due to the small size of the City, it is impractical to further segregate duties. The City of Madison's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

ARMGL, P.C.

Grand Island, Nebraska
April 3, 2026

To the Honorable Mayor and Members of the City Council
City of Madison
Madison, Nebraska

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the City of Madison for the year ended September 30, 2025, and have issued our report thereon dated April 3, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 20, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Madison are described in Note A to the financial statements. The City adopted GASB No. 101 *Compensated Absences*, during the year ended September 30, 2025. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the collectability of accounts receivable is based on historical utility revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

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Management's estimate of the depreciation of capital assets is based on the estimated useful life of the capital asset. We evaluated the key factors and assumptions used to develop the depreciation of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Nineteen audit adjustments increased the fund balance of the City's governmental funds by \$197,391. Twenty-two audit adjustments decreased the net position of the City's business-type activities by \$85,338. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Principal payments on long-term debt of \$113,837 were reclassified in the business-type activities, increasing net position and decreasing expenses.
2. Depreciation expense of \$339,744 was recorded in the business-type activities, decreasing net position and increasing expenses.
3. Capital assets of \$19,097 were reclassified in the business-type activities, increasing net position and decreasing expenses.
4. Accounts receivable were adjusted \$30,390 in the business-type activities, decreasing net position and revenues.
5. Unbilled revenue was adjusted \$20,767 in the business-type activities, decreasing net position and revenues.
6. Prepaid insurance was adjusted \$74,045 in the business-type activities, increasing net position and decreasing expenses.
7. Principal collections on notes receivable of \$113,837 were reclassified in the business-type activities, decreasing net position and revenues.
8. A transfer of \$117,869 was recorded, decreasing fund balance and increasing expenditures in the governmental funds and increasing net position and revenues in the business-type activities.

9. Nursing Home account activity of \$47,870 was recorded in the governmental funds, increasing fund balance and revenues.
10. County treasurer receipts of \$156,211 were recorded in the governmental funds, increasing fund balance and revenues.
11. Capital outlay of \$9,834 was recorded in the governmental funds, decreasing fund balance and increasing expenditures.
12. Prior year adjustments that were dated in the current year were adjusted in the governmental funds, decreasing fund balance \$28,103.
13. Prior year adjustments that were dated in the current year were adjusted in the business-type activities, increasing net position \$242,582.
14. Prior year revenue and expenses were closed to equity in the business-type activities, decreasing net position \$135,740.
15. Prior year revenue and expenses were closed to equity in the governmental funds, increasing fund balance \$144,463.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 3, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In connection with our audit of the financial statements of the City of Madison as of September 30, 2025, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. We recommend that you continue to monitor the operating costs of providing utility services for necessary increases in rates.
2. During our audit, we noted that inventory quantities were being adjusted but the cost of inventory was not. We recommend updating inventory cost as inventory is purchased in order to accurately track inventory values.
3. During our audit, we noted that the 3rd quarter 941 was filed incorrectly. We recommend making sure that the 941's are being filed correctly.
4. During our audit, we noted that one credit receipt was missing from the month of February. We recommend obtaining receipts for each credit card charge and filing those receipts with the statement.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the statement of general fund departmental revenue and expenditures and the component unit combining statements, which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Madison and is not intended to be and should not be used by anyone other than these specified parties.

A.M.G.L.P.C.

Grand Island, Nebraska
April 3, 2026

THE CITY OF MADISON

Prepared by

Adam Collins

July-2026

An Exclusive Service of OCI Insurance & Financial Services

THE CITY OF MADISON

MEDICAL SUMMARY

Effective: 7/1/2026



Proposal Type	CURRENT	RENEWAL	ALTERNATE RENEWAL	ALTERNATE RENEWAL
Carrier	BCBSNE	BCBSNE	BCBSNE	BCBSNE
Note				
Plan Name	LIGHT - Copay Option 1 - \$1000	LIGHT - Copay Option 1 - \$1000	LIGHT - Copay Option 2 - \$2000	LIGHT - Copay Option 3 - \$3000
Option Type				
Network	In Network	In Network	In Network	In Network
Deductible - EE	\$1,000	\$1,000	\$2,000	\$3,000
Deductible - Family	\$2,000	\$2,000	\$4,000	\$6,000
Coinsurance	80%	80%	80%	70%
Out of Pocket Max	\$4,000	\$4,000	\$6,000	\$6,000
Out of Pocket Max - Family	\$8,000	\$8,000	\$12,000	\$12,000
Physician/Specialist Copay	\$30/\$45	\$30/\$45	\$25/\$50	\$30/\$50
Copay Note				
Standard Telehealth Copay	\$10	\$10	\$10	\$10
Urgent Care Copay	\$60	\$60	\$75	\$75
Emergency Room Copay	Ded then 20%	Ded then 20%	Ded then 20%	Ded then 30%
X-Ray/Lab	Ded then 20%	Ded then 20%	Ded then 20%	Ded then 30%
Major Diagnostic (MRI,CT,etc.)	Ded then 20%	Ded then 20%	Ded then 20%	Ded then 30%
Prescriptions(Rx)	\$15/\$45/\$80	\$15/\$45/\$80	\$15/\$45/\$80	\$15/\$45/\$80
Specialty Rx	\$300	\$300	\$300	\$300
Rx Notes				
Provider Network	NEtwork Blue	NEtwork Blue	NEtwork Blue	NEtwork Blue
Employee	5 \$1,010.56	5 \$1,107.23	5 \$1,000.05	5 \$904.86
Employee + Spouse	1 \$2,071.65	1 \$2,269.82	1 \$2,050.10	1 \$1,854.96
Employee + Child(ren)	1 \$1,768.48	1 \$1,937.65	1 \$1,750.09	1 \$1,583.51
Employee + Family	4 \$2,930.62	4 \$3,210.97	4 \$2,900.15	4 \$2,624.09
Employee Total	\$11,116.16	\$12,179.53	\$11,000.55	\$9,953.46
Dependent Total	\$9,499.25	\$10,407.97	\$9,400.49	\$8,505.67
Combined Monthly Total	\$20,615.41	\$22,587.50	\$20,401.04	\$18,459.13
% Variance		9.57%	-1.04%	-10.46%

Rates and benefits are illustrative only and represent only a brief summary of the plan highlights. Final rates will be determined from effective date, actual enrollment and/or health conditions.

*Please refer to the benefit summary for more specific details regarding this benefit.

^Please refer to the carrier proposal and/or benefit summary for more specific details.

THE CITY OF MADISON

MEDICAL SUMMARY

Effective: 7/1/2026



Proposal Type	PROPOSED	PROPOSED	PROPOSED	PROPOSED
Carrier	BCBSNE	BCBSNE	MEDICA	UHC
Note				
Plan Name	\$1,000 60% - GPA26 (NB)	\$1,500 70% - GPD26 NB	\$1,500 70%- with 100% Preventive Rx	\$1,000 50% - EPZ7
Option Type	Gold	GOLD	Gold	Gold
Network	In Network	In Network	In Network	In Network
Deductible - EE	\$1,000	\$1,500	\$1,500	\$1,000
Deductible - Family	\$2,000	\$3,000	\$3,000	\$2,000
Coinsurance	60%	70%	70%	50%
Out of Pocket Max	\$4,650	\$5,500	\$5,500	\$6,500
Out of Pocket Max - Family	\$9,300	\$11,000	\$11,000	\$13,000
Physician/Specialist Copay	\$30/\$75	\$30/\$60	\$30/\$60	\$35/\$70
Copay Note				
Standard Telehealth Copay		Ded then 0%	\$0	\$0
Urgent Care Copay	\$75	60	\$30	\$50
Emergency Room Copay	Ded then 40%	Ded then 30%	Ded then 30%	Ded then 50%
X-Ray/Lab	Ded then 40%	Ded then 30%	Ded then 30%	Ded then 50%/50%*
Major Diagnostic (MRI,CT,etc.)	Ded then 40%	Ded then 30%	Ded then 30%	Ded then 50%
Prescriptions(Rx)	\$10/\$30/\$50/\$125*	\$10/\$30/\$75/\$125*	\$10/\$50/\$100*	\$10/\$40/\$105/\$250
Specialty Rx	\$400/\$400*	\$400/\$400*	\$350/\$450*	\$10/\$40/\$105/\$500
Rx Notes	Designated Rx, SBC has addt'l info	Designated Rx, SBC has addt'l info	Preventive Drug Benefit	*Essential PDL*
Provider Network	Network Blue	Network Blue	Medica Choice National	Choice Plus
Employee	5	5	5	5
Employee + Spouse	1	1	1	1
Employee + Child(ren)	1	1	1	1
Employee + Family	4	4	4	4
Employee Total	\$13,593.35	\$13,450.92	\$8,806.89	\$10,770.49
Dependent Total	\$14,434.26	\$14,283.02	\$9,351.71	\$11,436.75
Combined Monthly Total	\$28,027.61	\$27,733.94	\$18,158.60	\$22,207.24
% Variance	35.95%	34.53%	-11.92%	7.72%

Rates and benefits are illustrative only and represent only a brief summary of the plan highlights. Final rates will be determined from effective date, actual enrollment and/or health conditions.

*Please refer to the benefit summary for more specific details regarding this benefit.

^Please refer to the carrier proposal and/or benefit summary for more specific details.

THE CITY OF MADISON

DENTAL SUMMARY

Effective: 7/1/2026



Proposal Type	CURRENT	RENEWAL	PROPOSED	PROPOSED
Carrier	PRINCIPAL	PRINCIPAL	BCBSNE	BCBSNE
Note				
Plan Name	Dental \$1,500	Dental \$1,500	LIGHT Dental \$1,000	LIGHT Dental \$2,000
Option Type	Non-Contributory	Non-Contributory		
Covered Services	In-Network	In-Network	In-Network	In-Network
Calendar Year Ded - EE	\$50	\$50	\$50	\$50
Calendar Year Ded - Family	\$150	\$150	\$100	\$100
Calendar Year Max	\$1,500	\$1,500	\$1,000	\$2,000
Preventative	100%	100%	100%	100%
Deductible Waived	Yes	Yes	Yes	Yes
Basic Services	90%	90%	80%	80%
Major Services	60%	60%	50%	50%
Major Svcs. Waiting Period	None	None	None	None
Periodontics	90%	90%	80%	80%
Endodontics	90%	90%	80%	80%
Provider Network	Principal Dental	Principal Dental	BCBS NE	BCBS NE
Out of Network Reimbursement	90% U&C	90% U&C		
Rate Guarantee	2 Years	2 Years	1 Year	1 Year
Participation Requirement	100% of Eligible^	100% of Eligible^		
Orthodontia				
Deductible	\$0	\$0	N/A	N/A
Coinsurance	50%	50%	N/A	N/A
Lifetime Max	\$1,000	\$1,000	N/A	N/A
Orthodontia Waiting Period	N/A	N/A	N/A	N/A
Employee	5 \$36.35	5 \$38.82	5 \$32.83	5 \$34.87
Employee + Spouse	1 \$74.97	1 \$80.07	1 \$66.72	1 \$70.85
Employee + Child(ren)	1 \$78.19	1 \$83.51	1 \$83.66	1 \$88.84
Employee + Family	4 \$116.81	4 \$124.75	4 \$124.97	4 \$132.71
Employee Total	\$399.85	\$427.02	\$361.13	\$383.57
Dependent Total	\$402.30	\$429.66	\$453.28	\$481.31
Combined Monthly Total	\$802.15	\$856.68	\$814.41	\$864.88
% Variance		6.80%	1.53%	7.82%

Rates and benefits are illustrative only and represent only a brief summary of the plan highlights. Final rates will be determined from effective date, actual enrollment and/or health conditions.

*Please refer to the benefit summary for more specific details regarding this benefit.

^Please refer to the carrier proposal and/or benefit summary for more specific details.

Age Banding Report - THE CITY OF MADISON - 7/01/2026

MEDICAL

BCBSNE - \$1,000 60% - GPA26 (NB) - PROPOSED

Line	Name	Item Cvg	Age	Sp. Age	Gender	EE	SP	CH1	CH2	CH3+	AC	Total
1	Amy Anderson-Wegener	1 FM	50	51	F	\$1,702.74	\$1,778.06				\$1,910.58	\$5,391.38
2	Andrew Colvin	2 FM	46	45	M	\$1,430.08	\$1,376.69	\$843.75	\$729.34	\$729.34		\$5,109.20
3	Drevin Dieter	3 EE	21		M	\$953.38						\$953.38
4	Thomas Heesacker	4 EE	49		M	\$1,626.47						\$1,626.47
5	Naomi Hemphill	5 EE	38		F	\$1,187.92						\$1,187.92
6	Mike Hopen	6 FM	40	38	M	\$1,218.43	\$1,187.92	\$729.34				\$3,135.69
7	Tristan Plessel	7 EE	31		F	\$1,104.97						\$1,104.97
8	Jamie Putters	8 FM	36	35	M	\$1,172.66	\$1,165.04	\$729.34	\$729.34			\$3,796.38
9	Hugo Sandoval	9 CH	34		M	\$1,157.41		\$729.34	\$729.34			\$2,616.09
10	Matthew Schnebel	10 SP	30	29	M	\$1,082.09	\$1,066.84					\$2,148.93
11	Ruth Yuman	11 EE	25		F	\$957.20						\$957.20
Total:						\$13,593.35	\$6,574.55	\$3,031.77	\$2,188.02	\$729.34	\$1,910.58	\$28,027.61

BCBSNE - \$1,500 70% - GPD26 NB - PROPOSED

Line	Name	Item Cvg	Age	Sp. Age	Gender	EE	SP	CH1	CH2	CH3+	AC	Total
1	Amy Anderson-Wegener	1 FM	50	51	F	\$1,684.90	\$1,759.43				\$1,890.57	\$5,334.90
2	Andrew Colvin	2 FM	46	45	M	\$1,415.09	\$1,362.26	\$834.90	\$721.70	\$721.70		\$5,055.65
3	Drevin Dieter	3 EE	21		M	\$943.40						\$943.40
4	Thomas Heesacker	4 EE	49		M	\$1,609.43						\$1,609.43
5	Naomi Hemphill	5 EE	38		F	\$1,175.47						\$1,175.47
6	Mike Hopen	6 FM	40	38	M	\$1,205.66	\$1,175.47	\$721.70				\$3,102.83
7	Tristan Plessel	7 EE	31		F	\$1,093.39						\$1,093.39
8	Jamie Putters	8 FM	36	35	M	\$1,160.38	\$1,152.83	\$721.70	\$721.70			\$3,756.61
9	Hugo Sandoval	9 CH	34		M	\$1,145.28		\$721.70	\$721.70			\$2,588.68
10	Matthew Schnebel	10 SP	30	29	M	\$1,070.75	\$1,055.66					\$2,126.41
11	Ruth Yuman	11 EE	25		F	\$947.17						\$947.17
Total:						\$13,450.92	\$6,505.65	\$3,000.00	\$2,165.10	\$721.70	\$1,890.57	\$27,733.94

MEDICA - \$1,500 70%- with 100% Preventive Rx - PROPOSED

Line	Name	Item Cvg	Age	Sp. Age	Gender	EE	SP	CH1	CH2	CH3+	AC	Total
1	Amy Anderson-Wegener	1 FM	50	51	F	\$1,103.18	\$1,151.97				\$1,237.83	\$3,492.98
2	Andrew Colvin	2 FM	46	45	M	\$926.52	\$891.93	\$546.65	\$472.53	\$472.53		\$3,310.16
3	Drevin Dieter	3 EE	21		M	\$617.68						\$617.68
4	Thomas Heesacker	4 EE	49		M	\$1,053.76						\$1,053.76
5	Naomi Hemphill	5 EE	38		F	\$769.63						\$769.63
6	Mike Hopen	6 FM	40	38	M	\$789.40	\$769.63	\$472.53				\$2,031.56
7	Tristan Plessel	7 EE	31		F	\$715.89						\$715.89
8	Jamie Putters	8 FM	36	35	M	\$759.75	\$754.81	\$472.53	\$472.53			\$2,459.62
9	Hugo Sandoval	9 CH	34		M	\$749.86		\$472.53	\$472.53			\$1,694.92
10	Matthew Schnebel	10 SP	30	29	M	\$701.07	\$691.18					\$1,392.25
11	Ruth Yuman	11 EE	25		F	\$620.15						\$620.15
Total:						\$8,806.89	\$4,259.52	\$1,964.24	\$1,417.59	\$472.53	\$1,237.83	\$18,158.60

UHC - \$1,000 50% - EPZ7 - PROPOSED

Line	Name	Item Cvg	Age	Sp. Age	Gender	EE	SP	CH1	CH2	CH3+	AC	Total
1	Amy Anderson-Wegener	1 FM	50	51	F	\$1,349.14	\$1,408.82				\$1,513.82	\$4,271.78
2	Andrew Colvin	2 FM	46	45	M	\$1,133.10	\$1,090.80	\$668.53	\$577.88	\$577.88		\$4,048.19
3	Drevin Dieter	3 EE	21		M	\$755.40						\$755.40
4	Thomas Heesacker	4 EE	49		M	\$1,288.71						\$1,288.71
5	Naomi Hemphill	5 EE	38		F	\$941.23						\$941.23
6	Mike Hopen	6 FM	40	38	M	\$965.40	\$941.23	\$577.88				\$2,484.51
7	Tristan Plessel	7 EE	31		F	\$875.51						\$875.51
8	Jamie Putters	8 FM	36	35	M	\$929.14	\$923.10	\$577.88	\$577.88			\$3,008.00
9	Hugo Sandoval	9 CH	34		M	\$917.06		\$577.88	\$577.88			\$2,072.82
10	Matthew Schnebel	10 SP	30	29	M	\$857.38	\$845.29					\$1,702.67
11	Ruth Yuman	11 EE	25		F	\$758.42						\$758.42
Total:						\$10,770.49	\$5,209.24	\$2,402.17	\$1,733.64	\$577.88	\$1,513.82	\$22,207.24



City Council Agenda Memo

Date: May 13, 2026

To: Mayor and City Council

From: Andrew Colvin, Economic Development Director

Subject: Proposal from Acuity Commercial Inspections to Report on the Condition of the Countryside Care Center Building

Background: The City has received a proposal from Acuity Commercial Property Inspections to complete a comprehensive inspection of the property located at 703 N. Main Street. The property consists of multiple structures totaling approximately 49,054 square feet, including former nursing home, daycare, warehouse, and related facilities.

A professional inspection is necessary to better understand the current condition of the buildings, including structural, mechanical, electrical, and other major systems, in order to support future planning, redevelopment considerations, or potential acquisition decisions.

Discussion: The proposed inspection includes a visual evaluation of major building components and systems in accordance with Commercial Property Inspection Standards, including:

- HVAC, plumbing, electrical, and mechanical systems
- Roof, drainage, and exterior features
- Interior areas, foundation, and structural components
- Parking, site conditions, and accessibility elements
- Life-safety systems and general building condition

The consultant will also review available records and provide a written report identifying observed deficiencies.

The inspection **does not include** cost estimates for repairs, life expectancy projections, or specialized testing (e.g., asbestos, mold, radon), unless separately authorized.

Financial Consideration: The proposed fee for the inspection is **\$2,400.00**, with payment due prior to release of the final report.

Staff Recommendation: Staff recommends approval of the inspection agreement with Acuity Commercial Property Inspections in the amount of \$2,400.00 to obtain a professional evaluation of the property's condition.



April 16, 2026

TO:
Andrew Colvin
Economic Development Director
Madison/Battle Creek
City of Madison
211 S. Lincoln St.
Madison, NE 68748

RE: Property Inspection – 703 N. Main St., Madison, NE 68748

Dear Andrew,

I appreciate your interest in Acuity Commercial Property Inspections!

Please find our proposal for 703 N. Main St., Madison, NE 68748 enclosed with a breakdown of the work to be performed and the associated fees.

Our CCPIA Certification, combined with our experience, training, and knowledge regarding the structural and systems components of a building, ensures that our inspection and report will provide the necessary information to make informed decisions about the condition of your property.

Don't hesitate to get in touch with me if you would like to discuss this proposal further.

If no changes to the attached proposal are required, please indicate your acceptance by emailing a signed copy to info@acuityinspect.com. We will then contact you to schedule the appointment.

Sincerely,

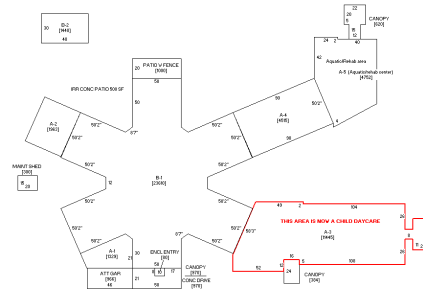
Al Stephens
Acuity Commercial Property Inspections

Acuity Property Inspections

Al Stephens – Certified Professional Inspector, Radon Measurement Specialist
402-524-2483; info@acuityinspect.com; www.acuityinspect.com

I. Description of Property

The proposal is for the building based on the following description and information provided, and preliminary research of the property:



Sketch by www.autodesk.com

Type	SF	Year Built
Nursing Home	26,902	1971
Warehouse (Storage)	1,440	1990
Child Day Care Center	11,445	1990
Nursing Home	4,515	2008
Hotel / Motel Common Facilities	4,752	2008
Total SF	49,054	

- Building layout: 3 buildings
- Mechanical system(s): RTU's, Central HVAC
- Structural system(s): Flat and Low-slope roof; wood/concrete
- Inspection scope: see below

The inspection fee is subject to change based on significant variations in the above-provided details regarding the description of the property.

II. Standards of Practice

Our services conform to the International Standards of Practice for Inspecting Commercial Properties (ComSOP) such that a visual inspection of the following readily visible elements will be assessed during the walk-through survey:

- HVAC system(s)
- plumbing system(s)
- mechanical and electrical systems

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- roof surface, drainage, and penetrations
(Roof is physically inspected if accessible and weather-permitting)
- exterior elements, vegetation, and landscaping
- general topography, fencing, and parking areas
- wood decks and balconies
- attic, ventilation, and insulation
- basement, foundation, and crawlspace
- doors, windows, and interior
- life safety components
- cooking area and storage
- accessibility

Additionally, as part of our standard service, we will review available records and conduct interviews with the person(s) most knowledgeable about the property's condition on the day of the inspection. It is the client's responsibility to obtain and provide Acuity Commercial Property Inspections with any relevant documents that might be available. The client must also plan to have the appropriate personnel available for interviews during the inspection. The final product of the commercial property inspection is a written report detailing the condition and observed defects.

III. Additional or Excluded Inspection Services

- Services excluded (may be available at an additional fee):
 - Mold, asbestos, and lead testing
 - Pest and termite inspection
 - Sewer inspection
 - Radon testing
- Systems excluded:
 - Commercial Cooking Equipment
 - Pools/Whirlpools/Saunas
- Note: our deliverable for this inspection does **NOT** include the following information *(ASTM 2018 Standard)*:
 - Cost-to Cure
 - Deferred maintenance cost projections
 - Useful life estimates
 - Capital Expenditure Projections
 - Replacement Reserve Projections

IV. Fee & Delivery

- ◇ Our fee for the above-described Property Inspection is **\$2,400.00**.

This fee is valid for 30 days from the date of this proposal. Full payment is due before the release of the written report. The inspection report will be emailed within 48 hours after the walk-through survey.

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V. Proposed Inspection Details

- Property Inspection Report
- We expect the inspection to be completed in a single visit. Access to all interior and exterior areas will be required on the day of the inspection.
- Upon acceptance of the proposal, we will confirm the tentatively scheduled date and time for the inspection.
- Tentative inspection date: **availability after 4/27/26. Date to be confirmed upon acceptance.**

VI. Proposal Acceptance

We accept the terms of the Commercial Property Inspection as described in this proposal.

Printed Name

Signature

Date

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