

TOWN OF DURHAM, MAINE
Annual Financial Report
For the Year Ended December 31, 2024

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Independent Auditor's Report

Board of Selectmen
Town of Durham, Maine

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Durham, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change in Accounting Principle

As described in the notes to the financial statements, in 2025, the Town adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information related to the net pension and OPEB liabilities, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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



March 2, 2026
South Portland, Maine

FINANCIAL STATEMENTS

TOWN OF DURHAM, MAINE
Statement of Net Position
December 31, 2024

	Governmental Activities
ASSETS	
Cash	\$ 4,664,640
Receivables:	
Taxes and liens	446,559
Accounts receivable	713
Rescue receivables	55,040
RSU #5 debt service payments	544,175
Nondepreciable capital assets	239,332
Depreciable capital assets, net	8,106,721
Total assets	14,057,180
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to OPEB	8,838
Deferred outflows of resources related to pensions	102,605
Total deferred outflows of resources	111,443
LIABILITIES	
Accounts payable	174,911
Accrued wages	35,918
Unearned revenues	114,887
Accrued interest	24,576
Noncurrent liabilities:	
Due within one year	678,437
Due in more than one year	2,738,459
Total liabilities	3,767,188
DEFERRED INFLOWS OF RESOURCES	
Taxes paid in advance	16,057
Deferred inflows of resources related to OPEB	48,473
Deferred inflows of resources related to pensions	23,360
Total deferred inflows of resources	87,890
NET POSITION	
Net investment in capital assets	5,819,851
Restricted:	
Nonexpendable principal - permanent funds	3,450
Expendable earnings - permanent funds	4,457
Donations and grants	34,928
Unrestricted	4,450,859
Total net position	\$ 10,313,545

See accompanying notes to the basic financial statements.

TOWN OF DURHAM, MAINE
Statement of Activities
For the year ended December 31, 2024

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Governmental activities
Primary government:					
Governmental activities:					
General government	\$ 1,482,953	127,487	305	-	(1,355,161)
Public safety	714,263	117,780	-	22,446	(574,037)
Public works	2,176,167	38,661	-	123,072	(2,014,434)
Community services	46,361	-	-	-	(46,361)
Education	6,089,292	-	-	-	(6,089,292)
Interest on debt	83,468	-	-	-	(83,468)
Total governmental activities	10,592,504	283,928	305	145,518	(10,162,753)
Total primary government	\$ 10,592,504	283,928	305	145,518	(10,162,753)

General revenues:	
Property taxes	8,340,051
Excise taxes	1,144,570
Grants and contributions not restricted to specific programs:	
State Revenue Sharing	680,649
Homestead and BETE exemption	267,393
Other	17,446
Unrestricted interest income	148,829
Miscellaneous	4,655
Total general revenues	10,603,593
Change in net position	440,840
Net position - beginning, as previously reported	9,914,345
Restatement, GASB 101 implementation	(16,410)
Restatement, error correction	(25,230)
Net position - beginning, restated	9,872,705
Net position - ending	\$ 10,313,545

See accompanying notes to the basic financial statements.

TOWN OF DURHAM, MAINE
Balance Sheet
Governmental Funds
December 31, 2024

	General Fund	Aggregate Other Funds	Total
ASSETS			
Cash	\$ 4,601,578	63,062	4,664,640
Receivables:			
Taxes and liens	446,559	-	446,559
Accounts receivable	713	-	713
Rescue receivables	55,040	-	55,040
RSU #5 debt service payments	544,175	-	544,175
Interfund receivables	-	1,292,465	1,292,465
Total assets	5,648,065	1,355,527	7,003,592
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	148,501	26,410	174,911
Accrued wages	35,918	-	35,918
Interfund payables	1,290,465	2,000	1,292,465
Unearned revenues	-	114,887	114,887
Total liabilities	1,474,884	143,297	1,618,181
Deferred Inflows of Resources:			
Taxes paid in advance	16,057	-	16,057
Unavailable revenue - property taxes	374,000	-	374,000
Unavailable revenue - RSU #5 debt service payments	544,175	-	544,175
Total deferred inflows of resources	934,232	-	934,232
Fund Balances:			
Nonspendable	-	3,450	3,450
Restricted	-	39,385	39,385
Committed	-	1,169,395	1,169,395
Unassigned	3,238,949	-	3,238,949
Total fund balances	3,238,949	1,212,230	4,451,179
Total liabilities, deferred inflows of resources, and fund balances	5,648,065	1,355,527	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			8,346,053
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.			918,175
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore, are not reported in the funds.			
Notes payable			(3,070,377)
OPEB liability with deferred inflows and outflows of resources			(106,551)
Net pension liability with deferred inflows and outflows of resources			(145,424)
Accrued compensated absences			(54,934)
Accrued interest			(24,576)
Net position of governmental activities			\$ 10,313,545

See accompanying notes to the basic financial statements.

TOWN OF DURHAM, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2024

	General Fund	Aggregate Other Funds	Total
Revenues:			
Property taxes	\$ 8,320,551	-	8,320,551
Excise taxes	1,144,570	-	1,144,570
Intergovernmental revenues	1,029,404	77,189	1,106,593
Charges for services	283,928	-	283,928
Other revenues	4,655	4,718	9,373
Interest	147,493	1,336	148,829
Total revenues	10,930,601	83,243	11,013,844
Expenditures:			
Current:			
General government	689,310	5,000	694,310
Public safety	595,041	-	595,041
Public works	1,810,354	-	1,810,354
Community services	16,100	30,261	46,361
Education	6,088,292	1,000	6,089,292
County tax	742,140	-	742,140
Unclassified	9,105	-	9,105
Debt service	782,712	-	782,712
Capital outlay	-	102,997	102,997
Total expenditures	10,733,054	139,258	10,872,312
Excess (deficiency) of revenues over (under) expenditures	197,547	(56,015)	141,532
Other financing sources (uses):			
Transfers from other funds	-	618,925	618,925
Transfers to other funds	(616,836)	(2,089)	(618,925)
Total other financing sources (uses)	(616,836)	616,836	-
Net change in fund balances	(419,289)	560,821	141,532
Fund balance, beginning of year, as previously reported	3,683,468	651,409	4,334,877
Restatement, error correction	(25,230)	-	(25,230)
Fund balance, beginning of year, restated	3,658,238	651,409	4,309,647
Fund balance, end of year	\$ 3,238,949	1,212,230	4,451,179

See accompanying notes to the basic financial statements.

TOWN OF DURHAM, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2024

Net change in fund balances - total governmental funds (from Statement 4)	\$	141,532
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

These are the changes in amounts related to capital assets:

capital outlay		122,607
depreciation expense		(518,376)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

19,500

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These are the changes in the other liability balances:

accrued interest	7,377	
accrued compensated absences	(10,664)	
opeb liability	(27,282)	
deferred inflows and outflows of resources related to the opeb liability	18,679	
net pension liability	(44,948)	
deferred inflows and outflows of resources related to the net pension liability	40,548	(16,290)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

These are the changes in long-term debt:

note principal payments		800,702
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The Town has bonds that were originally issued for School purposes. These amounts will be funded by Regional School Unit #5 when the debt service payments are due. The Town has recorded a long-term receivable for the amount that will be paid by the School Unit for these notes. The amount of the receivable at year-end was \$544,175 with principal amounts paid off during the year totaling \$108,835.

(108,835)

Change in net position of governmental activities (see Statement 2)	\$	440,840
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See accompanying notes to the basic financial statements.

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Durham, Maine conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

A. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit is made by applying the criteria set forth in GAAP which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, there were no potential component units required to be included in this report.

B. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are typically reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The Town currently does not have any business-type activities.

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

C. Basis of Presentation – Financial Statements

While separate government-wide and fund financial statements are represented, they are interrelated. The governmental activities column incorporates data from governmental funds. For the most part, the effect of interfund activity has been removed from these statements.

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Basis of Presentation – Fund Financial Statements

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

The Town reports the following major governmental funds:

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

E. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the Town and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, and all other grant requirements have been met.

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

F. Cash and Investments

The Town considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The Town utilizes the consumption method for prepaid items in which items purchased are recorded as an asset and the recognition of the expenditure is deferred until the period the prepaid item is actually consumed or used.

H. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e., the noncurrent portion of interfund loans).

I. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the assets' estimated useful lives ranging from 5 to 50 years.

J. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds report three deferred inflows of resources: unavailable revenue from property taxes, prepaid property taxes, and unavailable revenue from Regional School Unit #5 debt service payments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred outflows and inflows that relate to the net pension and OPEB liabilities, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension/OPEB liabilities in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Debt payable is reported net of the applicable premium or discount.

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

L. Pensions

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Other postemployment benefits (OPEB) - For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net positions of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Use of Estimates

Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

O. Accrued Compensated Absences

Under the terms of personnel policies, vacation and sick leave are granted in varying amounts according to length of service. Accumulated vacation and sick time has been recorded in the Statement of Net Position for the governmental activities. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

P. Unearned Revenues

Unearned revenues in 2024 consist of grant revenues that have not yet met all of the requirements to be recognized as revenue under the terms of the grant.

Q. Comparative Data/Reclassifications

Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

R. Fund Balance/Net Position

Governmental fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent.

The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The voters have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. For assigned fund balance amounts, the Board of Selectmen has been authorized by Charter/Policy to assign unspent budgeted amounts to specific purposes in the General Fund at year end based on Department requests. The Town does not have a formal fund balance policy.

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

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Town utilizes a formal budgetary accounting system to control operations accounted for in the General Fund. This budget is established through the passage of a Town warrant at the annual Town meeting. It is prepared on a basis consistent with generally accepted accounting principles (GAAP) except for certain appropriations, which are budgeted on a net basis, and encumbrances. Under the net budget basis, certain revenues are not estimated but are credited to the particular appropriation account.

The level of control (level at which expenditures may not exceed appropriations) is the warrant article. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year with the exception of some non-lapsing accounts and ongoing projects which are carried forward to the next fiscal year.

DEPOSITS

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2024, the Town's bank balances of \$4,761,240 were covered by FDIC.

PROPERTY TAX

Property taxes for the current year were committed on June 25, 2024, on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Assessed values are periodically established by the Town's Assessor at 57% of assumed market value. The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$19,751 for the year ended December 31, 2024.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid. Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

The following summarizes the levy:

	<u>2024</u>	<u>2023</u>
Assessed value	\$ 382,818,760	376,000,600
<u>Tax rate (per \$1,000)</u>	<u>21.75</u>	<u>21.35</u>
Commitment	8,326,308	8,027,613
<u>Supplemental taxes assessed</u>	<u>13,743</u>	<u>18,435</u>
	8,340,051	8,046,048
Less:		
<u>Collections and abatements</u>	<u>8,060,538</u>	<u>7,764,446</u>
<u>Current year taxes receivable at end of year</u>	<u>\$ 279,513</u>	<u>281,602</u>
Due date	August 12, 2024	August 14, 2023
Interest rate on delinquent taxes	8.50%	8.00%
Collection rate	96.65%	96.50%

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance December 31, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2024</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 239,332	-	-	239,332
Total capital assets not being depreciated	239,332	-	-	239,332
Capital assets, being depreciated:				
Land improvements	17,771	-	-	17,771
Buildings and building improvements	1,729,861	14,032	37,000	1,706,893
Infrastructure	7,113,593	-	-	7,113,593
Vehicles and equipment	3,487,713	108,575	-	3,596,288
Total capital assets being depreciated	12,348,938	122,607	37,000	12,434,545
Less accumulated depreciation for:				
Land improvements	4,656	445	-	5,101
Buildings and building improvements	608,988	36,147	37,000	608,135
Infrastructure	1,255,817	225,440	-	1,481,257
Vehicles and equipment	1,976,987	256,344	-	2,233,331
Total accumulated depreciation	3,846,448	518,376	37,000	4,327,824
Total capital assets being depreciated, net	8,502,490	(395,769)	-	8,106,721
Governmental activities capital assets, net	\$ 8,741,822	(395,769)	-	8,346,053

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

General government	\$ 22,836
Public safety	110,117
Public works, including depreciation of infrastructure assets	385,423
Total depreciation expense – governmental activities	\$ 518,376

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

INTERFUND RECEIVABLES AND PAYABLES

Individual Interfund receivables and payables and transfers at December 31, 2024, were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>	<u>Interfund transfers</u>
General Fund	\$ -	1,290,465	(616,836)
Nonmajor governmental funds:			
Nonmajor special revenue funds	515,969	2,000	162,293
Nonmajor capital projects funds	776,496	-	454,543
Total Nonmajor Governmental Funds	1,292,465	2,000	616,836
Totals	\$ 1,292,465	1,292,465	-

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2024, was as follows:

	<u>Beginning balance restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
Net pension liability	179,721	44,948	-	224,669	-
Other postemployment liability	39,634	27,282	-	66,916	-
Accrued compensated absences	44,270	10,664	-	54,934	-
Notes from direct borrowings	3,871,079	-	800,702	3,070,377	678,437
Governmental activities long-term liabilities	\$ 4,134,704	82,894	800,702	3,416,896	678,437

LONG-TERM DEBT

Notes from direct borrowings at December 31, 2024, are comprised of the following:

<u>Notes from direct borrowings</u>	<u>Amount originally issued</u>	<u>Interest rate</u>	<u>Final maturity date</u>	<u>Balance</u>
2014 public works property	\$ 975,000	4.55%	2029	390,503
2018 fire truck	480,000	3.90%	2028	214,274
2018 road paving bond	2,000,000	Varies	2028	800,000
2019 road paving bond	2,350,000	Varies	2029	1,121,425
2009 school projects*	2,176,696	Varies	2029	544,175
Total bonds				\$ 3,070,377

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

LONG-TERM DEBT, CONTINUED

*RSU 5 will reimburse the Town of Durham for all of the Durham School Department notes from direct borrowings when the debt service payments are due. The Town has recorded a receivable of \$544,175, which is the outstanding amount of notes from direct borrowings related to the School Department.

The annual requirements to amortize the notes from direct borrowings are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	678,437	93,857	772,294
2026	683,741	74,308	758,049
2027	653,568	55,393	708,961
2028	659,338	35,193	694,531
2029	395,293	13,557	408,850
Totals	\$ 3,070,377	272,308	3,342,685

OVERLAPPING DEBT AND OTHER CONTINGENCIES

Overlapping Debt

The Town's proportionate share of Regional School Unit No. 5's debt of \$9,693,400 is \$2,076,326 (21.42%) as of June 30, 2024, which is the most readily available information. This debt service is included in the annual assessments to the Town.

STATUTORY DEBT LIMIT

In accordance with Maine law, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At December 31, 2024, the Town was in compliance with these limitations.

NET POSITION

Net position represents the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and adding back any school-related debt for which the Town no longer has the assets. The Town's net investment in capital assets was calculated as follows at December 31, 2024:

Capital assets	\$ 12,673,877
Accumulated depreciation	(4,327,824)
Notes payable	(3,070,377)
Add back school related debt – assets transferred to RSU #5	544,175
Total invested in capital assets net of related debt	\$ 5,819,851

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

NET POSITION, CONTINUED

The school-related debt has been added back in the calculation because the Town issued debt related to the new elementary school construction for the local share of debt. As required by the Reorganization Plan for the Regional School Unit (RSU), the Town retains the obligation for this debt. However, the related assets were transferred to the RSU in accordance with the agreement.

FUND BALANCES

The General Fund has reported an unassigned fund balance of \$3,238,949 as of December 31, 2024, which represents amounts that have not been assigned, committed, or restricted for other purposes. As of December 31, 2024, other fund balance components consisted of the following:

	Aggregate Other Funds
Nonspendable:	
Nonexpendable permanent fund principal	\$ 3,450
Restricted:	
Expendable permanent fund principal	4,457
River Park donations	8,201
School scholarships	12,129
Heating assistance	13,145
Historic district commission	1,330
Jackson Tupper memorial	123
Committed:	
Emergency fund	16,953
Grant match	26,848
Recreation	23,742
Telecommunication	73,531
Revaluation	220,000
Eureka capital	53,719
Fire rescue capital	322,091
Buildings capital	70,886
Public works capital	329,800
Union church restoration	31,825
Total	\$ 1,212,230

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description - The Town sponsors a post-retirement benefit plan providing health insurance to employees (hereafter referred to as the Town Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Select Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided - Retirees with a minimum of age 55 and 5 years of service at retirement are eligible for postretirement health insurance benefits. Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the Town makes no actual contributions.

Employees Covered by Benefit Terms – At January 1, 2024, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employee entitled to but not yet receiving benefits	-
Active employees	7
Total	7

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

The Town’s total Health Plan OPEB liability of \$66,916 was measured as of January 1, 2024, and was determined by an actuarial valuation as of that date.

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at December 31, 2023	\$ 39,634
Changes for the year:	
Service cost	6,846
Interest	1,723
Changes of benefit terms	-
Differences between expected and actual experience	2,040
Changes in assumptions or other inputs	17,018
Benefit payments	(345)
Net changes	27,282
Balance at December 31, 2024	\$ 66,916

Change in assumptions reflects a change in the discount rate to 3.26% from 3.72%.

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

For the year ended December 31, 2024, the Town recognized an OPEB expense of \$8,603 related to the Town Health Plan. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	48,473
Changes of assumption or other inputs		8,021	-
Contributions subsequent to the measurement date		817	-
Total	\$	8,838	48,473

\$817 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction in the total OPEB liability in the year ended December 31, 2025.

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

Year ended December 31:	
2025	\$ (9,715)
2026	(11,098)
2027	(11,098)
2028	(11,099)
2029	(2,558)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2024, actuarial valuation for the Town Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.38% per year
Salary increases	2.75% per year
Discount rate	3.26%
Healthcare cost trend rates	Non-Medicare 7.72% for 2024, grading to 3.81% in 2044 Medicare 10.77% for 2024, grading to 3.81% in 2044
Retirees' share of the benefit related costs	100%

Mortality rates for the Health Plan were based on the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2024, valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2016, through June 30, 2020.

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Discount Rate - The rate used to measure the total OPEB liability for the Town Health Plan was 3.26%. The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability related to the Town Health Plan calculated using the discount rate of 3.26%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

		1% Decrease	Discount Rate	1% Increase
		<u>(2.26%)</u>	<u>(3.26%)</u>	<u>(4.26%)</u>
Total OPEB liability	\$	76,388	66,916	58,971

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

		Healthcare Cost		
		1% Decrease	Trend Rates	1% Increase
Total OPEB liability	\$	57,522	66,916	78,333

PENSION PLAN

General Information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Benefits Provided - The PLD Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014).

The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions.

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

PENSION PLAN, CONTINUED

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. Required contributions were as follows:

	Employee Age 60	Employee Age 65	Employer All Plans
January to June	6.9%	6.15%	8.9%
July to December	6.8%	6.05%	8.8%

The employer contribution rate is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$58,994 for the year ended December 31, 2024.

Pension Liability, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Town reported a pension liability of \$224,669 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2024, the Town's proportion was 0.0561%.

For the year ended December 31, 2024, the Town recognized a net pension expense of \$63,394. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 66,681	-
Net difference between projected and actual earnings on pension plan investments	-	23,360
Changes in proportion and differences between Town contributions and proportionate share of contributions	8,018	-
Change of assumptions	-	-
Town contributions subsequent to the measurement date	27,906	-
Total	\$102,605	\$23,360

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

PENSION PLAN, CONTINUED

An amount of \$27,906 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	
2025	\$ 4,694
2026	54,285
2027	(3,114)
2028	(4,526)

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

Inflation	2.75%
Salary increases	2.75% - 11.48%
Investment return	6.50%
Cost of living benefit increases	1.91%

Mortality rates were based on the 2010 Public Plan General Benefits Weighted Healthy Retiree Mortality table.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2015, to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	5.6%
US government	10.0%	2.2%
Private equity	12.5%	7.2%
Real estate	10.0%	5.8%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.1%
Traditional credit	5.0%	2.7%
Alternative credit	10.0%	6.4%
Diversifiers	7.5%	4.8%

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

PENSION PLAN, CONTINUED

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

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Town's proportionate share of the net pension liability (asset)	\$561,367	224,669	(52,732)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters, for which the Town either carries commercial insurance or participates in a public entity risk pool. Currently, the Town participates in several public entity and self-insured pools sponsored by the Maine Municipal Association. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2024.

RESTATEMENTS AND NEW ACCOUNTING PRONOUNCEMENTS

In 2024, the Town implemented GASB 101, *Compensated Absences*, and recognized the estimated compensated absences liability for sick leave on Statement 1. In accordance with GASB 100, *Accounting Changes and Error Corrections*, the change related to GASB 101 is considered a change in accounting principle, which requires the restatement of beginning net position and has been reflected on Statement 2.

In 2025, the Internal Revenue Service (IRS) sent the Town a notice of filing errors and additional assessments for payroll taxes. Of the amounts identified by the IRS, \$25,230 specifically related to the 2023 calendar year and earlier. Therefore, the amount should have been recorded as a liability in the prior years. Accordingly, the General Fund beginning fund balance on Exhibit A-2 and statement 4, and the Governmental Activities' beginning net position on Statement 2 have been restated for this amount. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the restatement is considered a correction of an error.

TOWN OF DURHAM, MAINE
Notes to Basic Financial Statements, continued

RESTATEMENTS AND NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED

The impact of these restatements is as follows:

Description	Governmental Activities	General Fund
Net position/fund balance as previously reported, December 31, 2023	\$ 9,914,345	3,683,468
Correction of an error	(25,230)	(25,230)
Change in accounting principal (GASB 101)	(16,410)	-
Net position as restated, January 1, 2024	\$ 9,872,705	3,658,238

TOWN OF DURHAM, MAINE
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis - General Fund
For the year ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes	\$ 9,426,308	9,426,308	9,465,121	38,813
Intergovernmental revenues	1,013,074	1,013,074	1,029,404	16,330
Charges for services	247,400	247,400	283,928	36,528
Other revenues	25,000	25,000	4,655	(20,345)
Interest	40,000	40,000	147,493	107,493
Total revenues	10,751,782	10,751,782	10,930,601	178,819
Expenditures:				
Current:				
General government	689,991	689,991	689,310	681
Public safety	622,495	622,495	595,041	27,454
Public works	1,843,228	1,840,865	1,810,354	30,511
Community services	16,700	16,700	16,100	600
Education	6,088,292	6,088,292	6,088,292	-
County tax	742,140	742,140	742,140	-
Unclassified	19,751	19,751	9,105	10,646
Debt service	780,349	782,712	782,712	-
Total expenditures	10,802,946	10,802,946	10,733,054	69,892
Excess (deficiency) of revenues over (under) expenditures	(51,164)	(51,164)	197,547	248,711
Other financing sources (uses):				
Transfers to other funds	(616,836)	(616,836)	(616,836)	-
Total other financing sources (uses)	(616,836)	(616,836)	(616,836)	-
Net change in fund balance	(668,000)	(668,000)	(419,289)	248,711
Fund balance, beginning of year, as previously reported			3,658,238	
Fund balance, end of year			\$ 3,238,949	

See accompanying notes to the basic financial statements.

TOWN OF DURHAM, MAINE
Required Supplementary Information

**Schedule of Town's Proportionate Share of the Net Pension Liability (Asset)
and Schedule of Town Contributions
Maine Public Employees Retirement System Consolidated Plan (PLD)**

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	\$ 0.0561%	0.0563%	0.0471%	0.0553%	0.0598%	0.0580%	0.0572%	0.0545%	0.0471%	0.0374%
Town's proportionate share of the net pension liability (asset)	224,669	179,721	125,232	(17,777)	237,542	177,380	156,524	223,262	250,050	119,183
Town's covered payroll	597,748	596,754	535,489	500,078	523,493	486,281	453,563	430,673	386,029	281,807
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.59%	30.12%	23.39%	-3.55%	45.38%	36.48%	34.51%	51.84%	64.77%	42.29%
Plan fiduciary net position as a percentage of the total pension liability	91.06%	92.34%	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.60%	88.27%
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015***</u>
Contractually required contribution	\$ 58,994	52,006	43,471	37,321	39,691	37,006	34,077	28,212	26,046	18,264
Contributions in relation to the contractually required contribution	(58,994)	(52,006)	(43,471)	(37,321)	(39,691)	(37,006)	(34,077)	(28,212)	(26,046)	(18,264)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Town's covered payroll	\$ 670,333	597,748	524,739	478,584	533,154	503,517	476,878	418,004	429,576	386,029
Contributions as a percentage of covered payroll	8.80%	8.70%	8.28%	7.80%	7.44%	7.35%	7.15%	6.75%	6.06%	4.73%

* The amounts presented for each year were determined as of the prior June 30th.

***In 2015, employer contributions were offset by IUUAL credits.

TOWN OF DURHAM, MAINE
Required Supplementary Information

Schedule of Changes in the Town's Total Health Plan OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$ 6,846	7,687	12,501	11,114	7,035	7,640	5,284
Interest	1,723	889	2,785	3,142	2,059	1,584	1,289
Changes of benefit terms	-	-	-	-	(2,156)	-	-
Differences between expected and actual experience	2,040	-	(87,802)	-	36,183	-	(256)
Changes of assumptions or other inputs	17,018	(4,340)	(7,777)	6,915	20,217	(4,295)	3,395
Benefit payments	<u>(345)</u>	<u>(136)</u>	<u>(6,003)</u>	<u>(5,772)</u>	<u>(161)</u>	<u>(155)</u>	<u>(90)</u>
Net change in total OPEB Liability	27,282	4,100	(86,296)	15,399	63,177	4,774	9,622
Total OPEB liability - beginning	<u>39,634</u>	<u>35,534</u>	<u>121,830</u>	<u>106,431</u>	<u>43,254</u>	<u>38,480</u>	<u>28,858</u>
Total OPEB liability - ending	<u>\$ 66,916</u>	<u>39,634</u>	<u>35,534</u>	<u>121,830</u>	<u>106,431</u>	<u>43,254</u>	<u>38,480</u>
Covered-employee payroll	\$ 407,331	332,439	332,439	445,166	445,166	413,007	413,007
Total OPEB liability as a percent of covered-employee payroll	16.43%	11.92%	10.69%	27.37%	23.91%	10.47%	9.32%

*Only seven years of information available.

TOWN OF DURHAM, MAINE
Notes to Required Supplementary Information

Net Pension Liabilities

Changes of Benefit Terms (Pension) - None

Changes of Assumptions (Pension) - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate - PLD	6.500%	6.750%	6.875%	7.125%	7.250%
Inflation rate	2.75%	2.75%	2.75%	3.50%	3.50%
Salary increases - PLD	2.75-11.48%	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%
Cost of living increases - PLD	1.91%	1.91%	2.20%	2.55%	3.12%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

In 2016 to 2020, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table.

In 2020 and going forward, mortality rates were based on the 2010 Public Plan General Benefits - Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

Total OPEB Liabilities - Health Insurance

MMEHT Health Plan

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%	3.78%

2017 - 2021 Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.
 2022 and going forward, Mortality rates were based on the 2010 Public Plan General Benefits - Weighted Employee Mortality Table for males and females.

**This schedule is intended to show information for ten years, but only the years in which a change occurred have been displayed. Additional years' information will be displayed as it becomes available.*

GENERAL FUND

TOWN OF DURHAM, MAINE
General Fund
Comparative Balance Sheets
December 31, 2024 and 2023

	2024	Restated 2023
ASSETS		
Cash	\$ 4,601,578	4,404,286
Receivables:		
Taxes and liens	446,559	442,001
Accounts receivable	713	12,808
Rescue receivables	55,040	54,017
Due from other governments	-	56,633
RSU #5 debt service payments	544,175	653,010
Total assets	5,648,065	5,622,755
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	148,501	141,659
Accrued wages and benefits	35,918	19,248
Interfund payables	1,290,465	782,929
Total liabilities	1,474,884	943,836
Deferred Inflows of Resources:		
Taxes paid in advance	16,057	13,171
Unavailable revenue - property taxes	374,000	354,500
Unavailable revenue - RSU #5 debt service payments	544,175	653,010
Total deferred inflows of resources	934,232	1,020,681
Fund Balances:		
Unassigned	3,238,949	3,658,238
Total fund balances	3,238,949	3,658,238
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,648,065	5,622,755

TOWN OF DURHAM, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended December 31, 2024
(with comparative totals for year ended December 31, 2023)

	2024			Variance positive (negative)	2023 Actual
	Original budget	Final budget	Actual		
Revenues:					
Taxes:					
Property taxes	\$ 8,326,308	8,326,308	8,326,308	-	8,027,613
Supplemental taxes	-	-	13,743	13,743	18,435
Change in unavailable taxes	-	-	(19,500)	(19,500)	(40,467)
Excise taxes	1,100,000	1,100,000	1,144,570	44,570	1,078,472
Total taxes	9,426,308	9,426,308	9,465,121	38,813	9,084,053
Intergovernmental revenue:					
State Revenue Sharing	638,052	638,052	680,649	42,597	740,214
Homestead exemption	269,001	269,001	262,933	(6,068)	221,886
BETE	3,021	3,021	4,460	1,439	14
Public roads assistance (LRAP)	65,000	65,000	63,916	(1,084)	63,108
Other intergovernmental	38,000	38,000	17,446	(20,554)	97,048
Total intergovernmental revenue	1,013,074	1,013,074	1,029,404	16,330	1,122,270
Charges for services:					
Licenses, permits and fees	75,400	75,400	87,349	11,949	76,067
Solid waste user fees	30,000	30,000	38,661	8,661	30,074
Fire and rescue services	95,000	95,000	117,780	22,780	107,414
Cable TV franchise fees	45,000	45,000	37,462	(7,538)	42,596
Other charges for services	2,000	2,000	2,676	676	2,660
Total charges for services	247,400	247,400	283,928	36,528	258,811
Other revenues:					
Donations	-	-	-	-	2,000
Other revenue	25,000	25,000	4,655	(20,345)	14,474
Total other revenues	25,000	25,000	4,655	(20,345)	16,474
Interest:					
Interest income	40,000	40,000	147,493	107,493	45,053
Total interest	40,000	40,000	147,493	107,493	45,053
Total revenues	10,751,782	10,751,782	10,930,601	178,819	10,526,661

TOWN OF DURHAM, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2024			Variance positive (negative)	2023 Actual
	Original budget	Final budget	Actual		
Expenditures:					
Current:					
General government:					
Administration expenses	\$ 495,891	495,891	500,416	(4,525)	504,721
Assessing	22,800	22,800	19,669	3,131	20,525
Information technology	47,000	47,000	54,301	(7,301)	47,754
Planning board/code enforcement	124,300	124,300	114,924	9,376	44,546
Total general government	689,991	689,991	689,310	681	617,546
Public safety:					
Fire and rescue	603,845	603,845	582,702	21,143	522,286
Animal control	18,650	18,650	12,339	6,311	18,406
Total public safety	622,495	622,495	595,041	27,454	540,692
Public works:					
Public works	1,454,228	1,451,865	1,363,566	88,299	1,275,799
Solid waste disposal	389,000	389,000	446,788	(57,788)	374,150
Total public works	1,843,228	1,840,865	1,810,354	30,511	1,649,949
Community services:					
General assistance	600	600	-	600	449
Eureka center and parks and recreation	-	-	-	-	12,569
Outside organizations	16,100	16,100	16,100	-	-
Total community services	16,700	16,700	16,100	600	13,018
Education	6,088,292	6,088,292	6,088,292	-	5,716,355
County tax	742,140	742,140	742,140	-	677,388

TOWN OF DURHAM, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis, Continued

	2024			Variance positive (negative)	Restated 2023 Actual
	Original budget	Final budget	Actual		
Expenditures, continued:					
Current, continued:					
Unclassified:					
Overlay/abatements	\$ 19,751	19,751	9,105	10,646	8,386
Total unclassified	19,751	19,751	9,105	10,646	8,386
Debt service:					
Principal	691,867	693,296	693,296	-	848,060
Interest	88,482	89,416	89,416	-	110,330
Total debt service	780,349	782,712	782,712	-	958,390
Total expenditures	10,802,946	10,802,946	10,733,054	69,892	10,181,724
Excess (deficiency) of revenues over (under) expenditures	(51,164)	(51,164)	197,547	248,711	344,937
Other financing sources (uses):					
Transfers to other funds	(616,836)	(616,836)	(616,836)	-	(1,096,630)
Total other financing sources (uses)	(616,836)	(616,836)	(616,836)	-	(1,096,630)
Net change in fund balance	(668,000)	(668,000)	(419,289)		(751,693)
Fund balance, beginning of year, as previously reported			3,658,238		4,435,161
Restatement, error correction			-		(25,230)
Fund balance, beginning of year, restated			3,658,238		4,409,931
Fund balance, end of year	\$		3,238,949		3,658,238

OTHER GOVERNMENTAL FUNDS

TOWN OF DURHAM, MAINE
All Other Governmental Funds
Combining Balance Sheet
December 31, 2024

	Special Revenue Funds	Capital Projects	Permanent Funds (Cemetery)	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 23,330	31,825	7,907	63,062
Interfund loans receivable	515,969	776,496	-	1,292,465
Total assets	539,299	808,321	7,907	1,355,527
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	26,410	-	-	26,410
unearned revenues	114,887	-	-	114,887
Interfund loans payable	2,000	-	-	2,000
Total liabilities	143,297	-	-	143,297
Fund balances:				
Nonspendable	-	-	3,450	3,450
Restricted	34,928	-	4,457	39,385
Committed	361,074	808,321	-	1,169,395
Total fund balances	396,002	808,321	7,907	1,212,230
Total liabilities and fund balances	\$ 539,299	808,321	7,907	1,355,527

TOWN OF DURHAM, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2024

	Special Revenue Funds	Capital Projects	Permanent Funds (Cemetery)	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 77,189	-	-	77,189
Donations	305	4,413	-	4,718
Interest	512	650	174	1,336
Total revenues	78,006	5,063	174	83,243
Expenditures:				
Current:				
General government	5,000	-	-	5,000
Education	1,000	-	-	1,000
Health and public assistance	30,261	-	-	30,261
Capital outlay	54,743	48,254	-	102,997
Total expenditures	91,004	48,254	-	139,258
Excess (deficiency) of revenues over (under) expenditures	(12,998)	(43,191)	174	(56,015)
Other financing sources (uses):				
Transfers to other funds	(2,089)	-	-	(2,089)
Transfers from other funds	164,382	454,543	-	618,925
Total other financing sources (uses)	162,293	454,543	-	616,836
Net change in fund balances	149,295	411,352	174	560,821
Fund balances, beginning of year	246,707	396,969	7,733	651,409
Fund balances, end of year	\$ 396,002	808,321	7,907	1,212,230

NONMAJOR SPECIAL REVENUE FUNDS

TOWN OF DURHAM, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
For the year ended December 31, 2024

	Zoning Compliance	River Park Donations	School Scholarships	Heating Assistance	Giving Tree	ARPA	Historic District Commission	Jackson- Tupper Memorial	Emergency Reserve	Grants Matching	Recreation	Telecoms	Revaluation	Totals
ASSETS														
Cash and cash equivalents	\$ -	8,201	15,129	-	-	-	-	-	-	-	-	-	-	23,330
Interfund loans receivable	-	-	-	13,145	-	135,004	1,330	123	16,953	26,848	23,742	78,824	220,000	515,969
Total assets	-	8,201	15,129	13,145	-	135,004	1,330	123	16,953	26,848	23,742	78,824	220,000	539,299
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts payable	-	-	1,000	-	-	20,117	-	-	-	-	-	5,293	-	26,410
Unearned revenues	-	-	-	-	-	114,887	-	-	-	-	-	-	-	114,887
Interfund loans payable	-	-	2,000	-	-	-	-	-	-	-	-	-	-	2,000
Total expenditures	-	-	3,000	-	-	135,004	-	-	-	-	-	5,293	-	143,297
Fund balances:														
Restricted	-	8,201	12,129	13,145	-	-	1,330	123	-	-	-	-	-	34,928
Committed	-	-	-	-	-	-	-	-	16,953	26,848	23,742	73,531	220,000	361,074
Total fund balances	-	8,201	12,129	13,145	-	-	1,330	123	16,953	26,848	23,742	73,531	220,000	396,002
Total liabilities and fund balances	\$ -	8,201	15,129	13,145	-	135,004	1,330	123	16,953	26,848	23,742	78,824	220,000	539,299

TOWN OF DURHAM, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2024

	Zoning Compliance	River Park Donations	School Scholarships	Heating Assistance	Giving Tree	ARPA	Historic District Commission	Jackson- Tupper Memorial	Emergency Reserve	Grants Matching	Recreation	Telecoms	Revaluation	Totals
Revenues:														
Intergovernmental	\$ -	-	-	-	-	54,743	-	-	-	22,446	-	-	-	77,189
Donations and local grants	-	-	-	100	205	-	-	-	-	-	-	-	-	305
Investment income	-	180	332	-	-	-	-	-	-	-	-	-	-	512
Total revenues	-	180	332	100	205	54,743	-	-	-	22,446	-	-	-	78,006
Expenditures:														
Current:														
General government	5,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000
Education	-	-	1,000	-	-	-	-	-	-	-	-	-	-	1,000
Health and public assistance	-	-	-	-	-	-	-	-	-	24,968	-	5,293	-	30,261
Capital outlay	-	-	-	-	-	54,743	-	-	-	-	-	-	-	54,743
Total expenditures	5,000	-	1,000	-	-	54,743	-	-	-	24,968	-	5,293	-	91,004
Excess (deficiency) of revenues over (under) expenditures	(5,000)	180	(668)	100	205	-	-	-	-	(2,522)	-	(5,293)	-	(12,998)
Other financing sources (uses):														
Transfers to other funds	-	-	-	-	(2,089)	-	-	-	-	-	-	-	-	(2,089)
Transfers from other funds	-	-	-	2,089	-	-	-	-	-	2,293	-	-	160,000	164,382
Total other financing sources (uses)	-	-	-	2,089	(2,089)	-	-	-	-	2,293	-	-	160,000	162,293
Net change in fund balances	(5,000)	180	(668)	2,189	(1,884)	-	-	-	-	(229)	-	(5,293)	160,000	149,295
Fund balances, beginning of year	5,000	8,021	12,797	10,956	1,884	-	1,330	123	16,953	27,077	23,742	78,824	60,000	246,707
Fund balances, end of year	\$ -	8,201	12,129	13,145	-	-	1,330	123	16,953	26,848	23,742	73,531	220,000	396,002

NONMAJOR CAPITAL PROJECT FUNDS

TOWN OF DURHAM, MAINE
Nonmajor Capital Project Funds
Combining Balance Sheet
For the year ended December 31, 2024

	Eureka Center	Fire and Rescue	Buildings	Public Works	Church Restoration	Totals
ASSETS						
Cash and cash equivalents	\$ -	-	-	-	31,825	31,825
Interfund loans receivable	53,719	322,091	70,886	329,800	-	776,496
Total assets	53,719	322,091	70,886	329,800	31,825	808,321
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Fund balances:						
Committed	53,719	322,091	70,886	329,800	31,825	808,321
Total fund balances	53,719	322,091	70,886	329,800	31,825	808,321
Total liabilities and fund balances	\$ 53,719	322,091	70,886	329,800	31,825	808,321

TOWN OF DURHAM, MAINE
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2024

	Eureka Center	Fire and Rescue	Buildings	Public Works	Church Restoration	Totals
Revenues:						
Other revenues	\$ -	-	4,413	-	-	4,413
Interest income	-	-	-	-	650	650
Total revenues	-	-	4,413	-	650	5,063
Expenditures:						
Capital outlay	-	-	34,039	14,215	-	48,254
Total expenditures	-	-	34,039	14,215	-	48,254
Excess (deficiency) of revenues over (under) expenditures	-	-	(29,626)	(14,215)	650	(43,191)
Other financing sources (uses):						
Transfers from other funds	50,000	180,000	10,000	205,000	9,543	454,543
Total other financing sources (uses)	50,000	180,000	10,000	205,000	9,543	454,543
Net change in fund balances	50,000	180,000	(19,626)	190,785	10,193	411,352
Fund balances, beginning of year	3,719	142,091	90,512	139,015	21,632	396,969
Fund balances, end of year	\$ 53,719	322,091	70,886	329,800	31,825	808,321