

Town of Concord
Concord Financial Audit Advisory Committee
AGENDA

August 15, 2024, at 8:30 AM

Town House, 22 Monument Sq., 2nd Fl. Select Board Conference Room

Notice of public meeting as required by M.G.L. Chpt.30A §18-28

HYBRID IN-PERSON AND VIRTUAL MEETING VIA ZOOM

Join the meeting: <https://us02web.zoom.us/j/86962203923?pwd=BZGxISpP6BHMSP6lL1QL5GzuzMnena.1>

Meeting ID: 869 6220 3923 Passcode: 081579 Dial in Toll-Free: 833-548-0282

Please be advised that this open meeting is being broadcast live via Zoom and MMN and recorded for playback online, video-on-demand viewing at <https://concordma.gov/2409/Government>. The listings of matters are those reasonably anticipated by the Chair 48 hours before said meeting, which may be discussed at the meeting. Not all items listed may be addressed. Items may be taken out of order and at times differ from those listed below. Other items not listed may also be brought up for discussion to the extent permitted by law. **Video or call will be muted upon joining meeting please use the "raise your hand" feature in the zoom meeting to ask to speak. ATTENDEES ARE REMINDED THAT BY ATTENDING THIS MEETING THAT YOU CONSENT TO YOUR LIKENESS AND AUDIO BEING USED AND REBROADCAST BY MMN.**

8:30 AM	1. Call to Order and Introductions
8:40 AM	2. Public Comment Public Comment is limited to up to 10 minutes, with no more than 3 minutes allocated to any one speaker. Public Comment is limited to items that are not on the agenda.
8:50 AM	3. Review the FAAC Charge and Audit Calendar <ul style="list-style-type: none">Review and discuss the charge of the committee, annual audit calendar and current audit status.
9:00 AM	4. Minutes <ul style="list-style-type: none">Approve the minutes of May 9, 2023
9:05 AM	5 FY23 Audits <ul style="list-style-type: none">FY23 Town Audit - Presentation and review of the final audit and review of the management letter.Discuss additional issues and recommendations for the summary report to the Select Board
9:45 AM	6. FY22 Audits <ul style="list-style-type: none">FY22 Town Audit – The final audit was presented to this committee on May 9, 2023. The committee will discuss issues and recommendations for the summary report to the Select Board
9:55 AM	7. Other Business <ul style="list-style-type: none">Set date for next meetingAny other business
10:00 AM	8. Adjournment



Town of Concord
Financial Audit Advisory Committee
AGENDA ACTION REQUEST
August 15, 2024

1

Call to Order

Introduction of members, staff and guest

Requested by: FAAC Chair

Action Sought: Open Meeting

Proposed Motion(s)

None anticipated.

Additional Information

Members of the Financial Audit Advisory Committee are:

- Wendy Rovelli, Select Board Representative, Chair FAAC (term exp. 5/31/25)
- Cynthia Rainey, School Committee Representative (term exp. 5/31/25)
- Brian Waterson, CCRSC Representative (term exp. 5/31/25)
- Bianca Taylor, CMLB Representative (term exp. 5/31/25)
- Court Booth, At-large member (term exp. 5/31/27)
- Bruce Button, At-large member (term exp. 5/31/26)
- John Flaherty, At-large member (term exp. 5/31/25)

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>



Town of Concord
Financial Audit Advisory Committee
AGENDA ACTION REQUEST
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3

Review FAAC Charge and Audit Calendar

Review and discuss the committee’s charge, annual audit and current audit status.

Requested by: FAAC Chair

Action Sought: Discussion

Proposed Motion(s)

None anticipated.

Additional Information

Included in the committee’s packet is the charge of the Financial Audit Advisory Committee adopted on February 23, 2015, and amended on June 6, 2016, for which the chair will review with the committee.

The packet contains two older versions of the Audit Activity Schedule for reference. The committee should work with staff to prepare an Audit Activity Schedule in preparation for the FY24 Audit.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>

FINANCIAL AUDIT ADVISORY COMMITTEE

The Financial Audit Advisory Committee is established to assist the Select Board, Town and Concord Public School /Concord-Carlisle Regional School District financial management officials in the organization, implementation and review of the annual examination of financial reporting and control procedures and in the continuous review and improvement of fiscal accountability matters. Financial management operations for the Concord Public Schools (CPS) and the Concord-Carlisle Regional School District (CCRSD) are fully integrated under the direction of a joint superintendent. For financial reporting purposes, CPS is a department of the Town while CCRSD is a separate political subdivision of the Commonwealth. All CPS transactions are processed through the Concord town treasury and are recorded in summary on the books of the Concord Town Accountant.

SCOPE

Separate audit examinations of the financial statements of the Town of Concord (which includes the Concord Public Schools) and of the Concord-Carlisle Regional School District are carried out annually as of each June 30 in conformance with provisions of the Massachusetts General Laws and consistent with voluntary standards set forth by the Governmental Accounting Standards Board. Upon completion of the annual audit, the financial statements of the Town and the CCRSD are published and available for public review and use.

The audit examination includes sampling of financial transactions and examination of financial control procedures in order to render an opinion that the financial statements of the town and of the CCRSD fairly represent the result of operations for the year. For this purpose, the Town Manager is responsible for engaging a professional external auditor or audit firm to conduct the Town's audit and the Superintendent of Schools is responsible for engaging a professional external auditor or audit firm to conduct the CCRSD audit. For the Town of Concord, The Select Board, as the Town's elected executive body, receives reviews and accepts the annual report of the auditor and any accompanying management letter addressing any improvements needed with respect to internal financial controls. For the CCRSD, the Regional School Committee is the elected executive body for such purposes.

The Concord Municipal Light Plant (CMLP), a department of the town organized under the Town Manager, also issues separate audited annual financial statements on a calendar year basis as of each December 31 in accordance with requirements of the Commonwealth of Massachusetts established for the operation of municipal light plants. The audited financial statements of CMLP are incorporated into the audited financial statements of the Town of Concord. The Town Manager is responsible for engaging a professional external auditor or audit firm to conduct the CMLP audit.

Currently, the Town of Concord, CCRSD and CMLP audit examination is carried out by a single external auditor. It is the objective of the Town and CCRSD that this level of coordination be maintained. Whenever it is determined by the Financial Audit Advisory Committee that it is in the best interest of the Town and CCRSD to initiate a selection process for the engagement of an external auditor or audit firm to conduct the annual audits of the Town, CCRSD and CMLP, the Committee shall be responsible for carrying out such selection process with the assistance of the Town Finance Director and the CPS/CCRSD Deputy Superintendent. The Committee shall make its recommendation for appointment of the auditor to the Town Manager and Superintendent of Schools.

MEMBERSHIP

The Financial Audit Advisory Committee shall consist of seven members appointed by the Select Board, as follows:

1. A current member of the Select Board, named annually by the Chair of the Select Board and effective as of June 1 for a one-year term ending the following May 31;
2. A current member of the Concord Public School Committee, named annually by the Chair of the Select Board as submitted by the Chair of the CPS Committee and effective as of June 1 for a one-year term ending the following May 31;
3. A current member of the Concord-Carlisle Regional School Committee, named annually by the Chair of the Select Board as submitted by the Chair of the CCRSD Committee, and effective as of June 1 for a one-year term ending the following May 31.
4. A current member of the Concord Light Board, named annually by the Chair of the Select Board as submitted by the Chair of the Light Board, and effective as of June 1 for a one-year term ending the following May 31;
5. Three citizens, each determined to have basic familiarity with Massachusetts local government financial management either through past town service or professional expertise, and at least one of whom shall have direct experience in financial operations, internal financial controls and/or the preparation and analysis of financial statements, preferably in the public sector, for a three-year term, with initial appointments staggered as follow:
 - Initial term ending May 31, 2016
 - Initial term ending May 31, 2017
 - Initial term ending May 31, 2018

The Select Board, School Committee and Light Board members may be reappointed for two additional years so long as they remain in their elected or appointed office. The citizen appointees may serve a maximum of two additional three-year terms beyond the initial appointment term stipulated in clause 4 above. Thereafter, citizen appointees shall serve a maximum of two full three-year terms plus the completion of any unexpired term to which the citizen was initially appointed.

The Select Board may fill vacancies as they occur. At any time, the Select Board may set an initial original or partial term of less than three years for a new citizen appointee if it becomes necessary to do so in order to maintain the staggered schedule of terms for citizen members.

MEETINGS

The Financial Audit Advisory Committee shall be chaired by the select board member. The committee shall meet at least three times a year – at the initiation of the annual Town of Concord and CCRSD audit examination, during the audit examination, and at the conclusion of the audit examination to review draft financial statements and management letter comments with the external auditor. The Committee may set additional meetings as necessary.

As the CMLP audit is conducted on a different schedule from the Town Audit, the committee shall meet at least once annually on the CMLP audit, separately or in combination with another meeting agenda, at the conclusion of the CMLP audit to review draft financial statements and management letter comments.

The Town Finance Director and the Deputy Superintendent of CPS/CCRSD, or their designee, shall staff the Financial Audit Advisory Committee. For any meeting covering CMLP matters, the CMLP director or designee shall attend. Those individuals may invite other town and school staff members to meetings as necessary.

DUTIES

The Financial Audit Advisory Committee shall:

- Recommend to the Town Manager and Superintendent of Schools the selection of the independent external auditor;
- Review the arrangements for and the scope and progress of the annual audits;
- Review the draft audited financial statements and consider the management letter recommendations and management's response;
- Review internal accounting and control procedures as necessary;
- Participate in presentation of the annual audited financial statements by the external auditor at a public meeting of the Select Board and the CCRSD School Committee respectively;
- Prepare such reports and recommendations to the Select Board and Regional School Committee from time to time, within its assigned scope, as it may deem to be in the best interest of the Town and the District.

For the sole purpose of advising the Town Manager and Superintendent of Schools regarding areas of financial administration under their responsibility, the Financial Audit Advisory Committee may take up any other matter or study any issue or concern that relates to the presentation and improvement of public understanding of the annual financial statements and/or that addresses internal financial controls, policies and practices. Such matters shall be limited to those assigned to it by the Select Board or that arise within the Committee through its own deliberations and review.

COMMITTEE OPERATION

The Committee shall operate in all respects in conformance with the Open Meeting Law. Administration of the Committee is assigned to the Town Finance Director's office.

Michael Lawson, Chair

Annual Financial Advisory Committee: Audit Activity Schedule

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
CMLP	Audit Plan		Field Work			Draft Report	Final Report	Draft FAAC Letter	Select Board Review			
Town	Final Report	Draft FAAC Letter	Select Board Review			Audit Plan		Field Work				Draft Report
CCRS	Draft Report	Final Report	Draft FAAC Letter	CCRS Board Review		Audit Plan			Field Work			

1. Audit Planning Meeting – Review external auditor’s plan. Discuss issues carried over from prior year and highlight any significant issues effecting financials
2. Draft Report* – Review audit findings, draft financial statements including MD&A, management letter and management response (if available). Review compliance and risk management. (FAAC can approve as Final depending upon open items from the review.)
3. Final Report - Receipt of Final Audit report. FAAC committee review and discussion of comments to include in Report to Select Board/CCRS School Board

* Schedule is dependent upon completion of OPEB and Retirement Board Actuarial reporting

Annual Financial Advisory Committee: Audit Activity Schedule

	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
CMLP		Draft Report	Final Report	Draft FAAC Letter	Select Board Review				Audit Plan		Field Work	
Town		Audit Plan		Field Work				Draft Report	Final Report	Draft FAAC Letter	Select Board Review	
CCRS		Audit Plan			Field Work				Draft Report	Final Report	Draft FAAC Letter	CCRS Board Review

1. Audit Planning Meeting – Review external auditor’s plan. Discuss issues carried over from prior year and highlight any significant issues effecting financials
2. Draft Report* – Review audit findings, draft financial statements including MD&A, management letter and management response (if available). Review compliance and risk management. (FAAC can approve as Final depending upon open items from the review.)
3. Final Report - Receipt of Final Audit report. FAAC committee review and discussion of comments to include in Report to Select Board/CCRS School Board

* Schedule is dependent upon completion of OPEB and Retirement Board Actuarial reporting



Town of Concord
Financial Audit Advisory Committee
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4

Minutes

Approve the minutes of May 9, 2023

Requested by: FAAC Chair

Action Sought: Approval

Proposed Motion(s)

MOVE to approve the minutes from the May 9, 2023 meeting.

Additional Information

Attached is a copy of the minutes of the May 9, 2023 meeting for the committee to amend/approve as necessary.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>

Financial Audit Advisory Committee
Draft Minutes of Meeting on May 09, 2023

The Financial Audit Advisory Committee (FAAC) met on May 09, 2023, at 8:30AM by ZOOM (Meeting ID 812 6382 2519). Notice of the meeting was duly filed with the Town Clerk, Town of Concord, Massachusetts, and the meeting was recorded.

Members present: Matthew Johnson, Select Board designee and Chair; Arthur Fulman, citizen representative; Court Booth, School Committee designee; and Carol Wilson, citizen representative.

Members absent: None; there are two vacancies on the Committee.

Others present: Gail Dowd, Chief Financial Officer/Treasurer; Mary Barrett, Town Accountant; Scott McIntire, Principal, Marcum/; Sara Corduck, Marcum Audit Engagement Supervisor.

Chair Matthew Johnson called the meeting to order at 8:30 AM and a roll call of Committee members was taken.

1: Approval of Meeting Minutes: April 11, 2023

Before the motion to accept the minutes was taken, Carol Wilson and Scott McIntire pointed out two corrections to the draft meeting minutes.

After some discussion, a motion to accept the minutes as amended was made by Court Booth, and seconded by Arthur Fulman, the amended minutes were unanimously approved by roll call vote.

2. FY2022 Final Town ACFR – Discuss changes from draft to final report

Mr. Scott McIntire of Marcum LLP led the discussion highlighting the changes between the draft version of the FY2022 Annual Comprehensive Financial Report (ACFR) audited financial statements and the final copy. The first change pertained to the lease information reported in the Governmental Funds Balance Sheet. Lease receivables increased by \$240k with a corresponding effect on deferred inflows of resources related to leases. Furthermore, footnote #10 was also tweaked due to these changes.

Mr. Booth was wondering if these changes were related to the audit firm's efforts in working with the new GASB. Per Mr. McIntire, the implementation of GASB 87 has been overwhelming for many municipalities and it took time for the Town to review the existing lease contracts and provide more concrete data to them.

Mr. Booth also asked if the Town would continue to see these types of changes and the answer is YES. For FY2023, GASB 94 and 96 will need to be implemented as mentioned at the last meeting. Mr. McIntire focused his discussion primarily on GASB 96. GASB 96 pertains to the IT subscription billing.

He pointed out that this would be important for the schools to look at as more on-line curriculum is being generated.

Mr. McIntire went on to say that his clients and other governments are looking into outsourcing the lease reporting. Companies have developed applications where they can scan contracts and the software will calculate the future inflows of resources and prepare footnotes. Mr. McIntire recommends the Town look into this as the reporting has become more complex.

The other change that occurred from draft to final ACFR relates to the capital asset section in the governmental funds balance sheet (long-term perspective). Due to some cut off issues and perfecting the accounting of capital assets, capital assets increased by \$1m. As a result, the net investment in capital assets also went up by \$1m. Net investment in capital assets is the difference between the capital assets and the associated debt. This concludes the summary of changes between the draft ACFR and the final ACFR.

Mr. Booth made the motion to accept the final FY2022 ACFR as presented with a second from Ms. Wilson and unanimously approved by roll call vote.

Mr. Johnson thanked Mr. McIntire and his team for the work done on the FY2022 Town audit.

3. Other Business/Citizen Comments

Mr. Fulman thanked Matt Johnson for his leadership during his term on the FAAC committee. Ms. Wilson thanked Matt as well. In addition, she thanked the Town financial staff for their hard work. She mentioned this was her last meeting as one of the citizen reps to the committee since her term has expired. Her time on the committee was a great learning experience and she enjoyed interacting with the auditors and Town staff.

Mr. Johnson mentioned that they need to recruit citizen members to the FAAC has been brought to the attention of the Select Board. Currently, there are two citizen positions open.

No Citizen comments.

4. Adjourn

With no remaining business on the agenda, Mr. Johnson, as he last official duty as the FAAC chair, adjourned the meeting at 9:00 am. He thanked everyone and wished good luck to all in the future. As a citizen and former member of the Select Board, he appreciates how well Concord is financially managed.

Documents distributed or referred to during this meeting:

- Draft Minutes from the 4/11/2023 meeting
- Final FY2022 Town ACFR

DRAFT



Town of Concord
Financial Audit Advisory Committee
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FY23 Town Audit

Presentation of the Town FY23 Audit Results

Requested by: FAAC Chair

Action Sought: Discussion

Proposed Motion(s)

Discussion dependent

Additional Information

The Town's audit firm of Marcum, LLP, (formerly Melanson) will present the results of the FY23 Town audit to the FAAC.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>



May 29, 2024

To the Honorable Select Board
Town of Concord, Massachusetts

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Concord, Massachusetts (the Town) for the year ended June 30, 2023 (except for the Concord Contributory Retirement System and Concord Municipal Light Plant, which are as of and for the year ended December 31, 2022). Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and OMB Uniform Guidance

As stated in our engagement letter dated January 18, 2024, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the Town's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Town's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Town's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to RSI, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditors' report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information is not audited and we do not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of internal controls
- Improper revenue recognition, including reconciliation of utility receivables

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2023. We noted no transactions entered into by the Town 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 Town's financial statements were:

- Collectability of receivables.
- Estimated lives and depreciation methods for depreciable assets.
- Fair value of investments.
- Net pension liability and related deferred outflows and inflows.
- Net OPEB liability and related deferred outflows and inflows.
- Estimated liability for potential tax refunds.
- Landfill liability.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no particularly sensitive disclosures affecting the Town's financial statements.

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.

Independence

During the year ended June 30, 2023, we were engaged to prepare the government-wide financial statements by consolidating various funds into governmental activities and business-type activities, converting to the accrual basis of accounting, and recording all long-term assets, long-term liabilities, and net position classifications based on information from the Town's accounting

records, In addition, we assisted with the allocation of employee benefits, OPEB, and pension expenses on the Statement of Activities, the conversion to the modified accrual basis of accounting, and helped prepare the Data Collection Form (DCF). We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance. The scope of the nonaudit services does not constitute an audit under *Government Auditing Standards*.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. There were, however, reclassification adjustments that were made in connection with converting to the modified accrual and accrual basis of accounting. These reclassification adjustments are also included in the attached schedule.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' 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 May 29, 2024.

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 Town's financial statements or a determination of the type of auditors' 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 Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. We have provided our findings regarding significant deficiencies and other matters noted during our audit in a separate letter to you dated May 29, 2024.

Other Matters

We applied certain limited procedures to the 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 combining and individual fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this 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.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Select Board and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Marcum LLP
Andover, MA

Client: **296290 - Town of Concord, Massachusetts**
Engagement: **10757409 - FS 2023 - Concord, MA**
Period Ending: **6/30/2023**
Trial Balance: **GOV**
Workpaper: **07.04C - Journal Entries Report - 2**
Fund Level: **All**
Index: **All**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To book per client entry posted after TB's were imported				
0001-000-000-0000-1040-0000	CASH - UNRESTRICTED CHECKING		39,744.00	
0030-122-127-0426-5988-0000	TRANS TO CAPITAL PROJECTS FUND		39,744.00	
0001-122-127-0000-5848-0000	BUILDING IMPROVEMENTS			39,744.00
0030-000-000-0000-1040-0000	CASH - UNRESTRICTED CHECKING			39,744.00
Total			79,488.00	79,488.00
Adjusting Journal Entries JE # 2				
GF: To correct fund balance reserved for encumbrances. Client agrees with this entry and plans to record the correction to FY24.				
0001-000-000-0000-3211-0000	RESERVED FOR ENCUMBRANCES		600,000.00	
0001-000-000-0000-3590-0000	UNDESIGNATED FUND BALANCE			600,000.00
Total			600,000.00	600,000.00
Adjusting Journal Entries JE # 3				
SRF: To recognize bond proceeds for MCWT project that was finalized and bonded in FY23. Client agrees with this entry and will record.				
0018-000-000-0830-2790-0000	MCWT TITLE V E INTERIM NOTES PAYABLE		300,000.00	
0018-4940-999	Bond Proceeds			300,000.00
Total			300,000.00	300,000.00
Adjusting Journal Entries JE # 4				
SRF: To reclassify revenue credited to expense account				
0027-220-220-1186-5857-0000	PUBLIC SAFETY EQUIPMENT		85,518.00	
0027-220-220-1186-4580-0000	FEDERAL REV			85,518.00
Total			85,518.00	85,518.00
Total Adjusting Journal Entries				
			1,065,006.00	1,065,006.00
Reclassifying Journal Entries				
Reclassifying Journal Entries JE # 101				
STAB: To reclass insurance reserve from SRF to STAB.				
0025-133-145-0675-3595-0000	DESIG. FUND BAL. - INSURANCE RESERVE		3,149,429.00	
0025-133-145-0675-4971-0000	TRANSFER FROM GENERAL FUND		1,110,892.00	
0078-000-000-0000-1040-999	CASH - INSURANCE RESERVE CLAIMS		3,149,429.00	
0078-000-000-0000-5100-999	INSURANCE RESERVE CLAIMS		106,644.00	
0025-000-000-0000-1040-0000	CASH - UNRESTRICTED CHECKING			3,149,429.00
0025-133-145-0675-5761-0000	CLAIMS DAMAGES			45,972.00
0025-133-145-0675-5763-0000	WORKERS COMP CLAIMS			9,303.00
0025-133-145-0675-5763-0023	PYR WORKERS COMP CLAIMS TOWN			1,790.00
0025-133-145-0675-5763-0024	PYR WORKERS COMP CLAIMS SCHOOLS			18,425.00
0025-133-145-0675-5764-0000	PYR IOD CLAIMS			3,026.00
0025-133-145-0675-5998-0000	EXPENSE TRANSFER			28,128.00
0025-3000A	Plug to open WTB			1,004,248.00
0078-000-000-0000-3200-999	FUND BALANCE - INSURANCE RESERVE CLAIMS			2,145,181.00
0078-133-145-0675-4971-999	TRANSFER IN			1,110,892.00
Total			7,516,394.00	7,516,394.00
Reclassifying Journal Entries JE # 102				
GF: To reverse PY 60 day accrual				
0001-000-000-0001-4110-2022	FY22 PERSONAL PROPERTY TAXES		222.00	
0001-000-000-0001-4120-2022	FY22 REAL ESTATE TAXES		98,652.00	
0001-000-000-0001-4142-0000	TAX LIENS REDEEMED		20,180.00	
0001-000-000-0002-4190-2022	FY22 SUPPLEMENTAL RE TAX		39.00	
0001-000-000-0000-3590-0000	UNDESIGNATED FUND BALANCE			119,093.00
Total			119,093.00	119,093.00
Reclassifying Journal Entries JE # 103				
GF: To reverse PY ATB liability				
0001-000-000-0000-3590-0000	UNDESIGNATED FUND BALANCE		98,404.00	
0001-000-000-0001-4120-2022	FY22 REAL ESTATE TAXES			98,404.00
Total			98,404.00	98,404.00
Reclassifying Journal Entries JE # 104				
To rebook PY reclassification of OPEB expenses				
0001-000-000-0000-3590-0000	UNDESIGNATED FUND BALANCE		17,065.00	
0087-000-000-0000-1040-0000	CASH		17,065.00	
0001-000-000-0000-1040-0000	CASH - UNRESTRICTED CHECKING			17,065.00
0087-000-000-0000-3595-0000	OPEB TRUST FUND BALANCE			17,065.00
Total			34,130.00	34,130.00
Reclassifying Journal Entries JE # 105				
To record miscellaneous rounding adjustment				
0001-5100	General Government		93.00	
0010-940-940-1011-5111-2023	REGULAR FULL-TIME		3.00	
0015-210-210-0000-5120-0000	TEMPORARY STATUS		1.00	
0019-410-491-1177-3595-0000	NAPOLI MAUSOLEUM FUND BALANCE		1.00	
0023-122-123-0809-5599-0000	OTHER MISCELLANEOUS SUPPLIES		2.00	
0024-000-000-0000-3595-0000	DESIGNATED FUND BALANCE		2.00	

0025-122-123-0525-3595-0000	MARSHALL & BARRETT'S MILL FARM FD BAL	2.00	
0027-122-123-1190-3595-0000	FY2023 MA HED GRANT 250TH CELEBRATION FB	1.00	
0028-122-128-0108-5319-0000	OTHER PROF.TECHNICAL SERVICES	3.00	
0029-429-429-0508-3595-0000	FD BALANCE MA50771 CHP 90	1.00	
0030-3000	Plug to Open WTB	3.00	
0099-124-124-0039-5319-0000	OTHER PROF.TECHNICAL SERVICES	3.00	
0001-000-000-0000-3590-0000	UNDESIGNATED FUND BALANCE		93.00
0010-000-000-0000-3595-0001	FUND BALANCES RESERVED		3.00
0015-000-000-0000-3595-0000	PARKING METER FUND BALANCE		1.00
0019-410-491-1177-4333-0000	FEES		1.00
0023-122-123-0809-3595-0000	NANAE SISTER CITY GIFT FUND BALANCE		2.00
0024-620-630-0000-4370-0000	MISCELLANEOUS REVENUE		2.00
0025-122-123-0525-4363-0000	MARSHALL FARM RENT		2.00
0027-122-123-1190-5381-0000	PRINTING		1.00
0028-122-128-0108-3595-0000	MAPC GRANT FD BAL		3.00
0029-429-429-0508-5841-0000	HIGHWAY IMPROVEMENTS		1.00
0030-122-123-0371-5848-0000	BUILDING IMPROVEMENTS-ART55ATM15 37 KNOX		3.00
0099-000-000-0000-3595-0000	AFFORDABLE HOUSING TRUST FUND BALANCE		3.00
Total		115.00	115.00
Reclassifying Journal Entries JE # 106			
SRF: To reverse PY unearned revenue		PY wps	
0027-122-123-0266-3595-0000	ARPA - LOCAL RECOVERY GRANT FB	1,873,420.00	
0027-122-123-0266-4580-0000	FEDERAL REVENUE THRU THE STATE		1,873,420.00
Total		1,873,420.00	1,873,420.00
Reclassifying Journal Entries JE # 107			
GF: To record MTRS gross up at the fund level		DEBT-750	
0001-5300	Education Expense	6,679,078.00	
GEN-4999	GASB 24		6,679,078.00
Total		6,679,078.00	6,679,078.00
Reclassifying Journal Entries JE # 108			
CF: To gross up revenue and expense activity related to custodial funds in accordance with GASB 84.		AG-020	
0089-210-210-0000-2522-0000	EVIDENCE-SEIZED FUNDS	6,540.00	
0089-5000	Payment of taxes and fees to external parties (M)	11,951.00	
0089-4000	Taxes and fees collected for external parties (M)		18,491.00
Total		18,491.00	18,491.00
Reclassifying Journal Entries JE # 109			
Water: To record PY inventory balance.		PY wps	
0061-000-000-0000-1820-0000	INVENTORY	175,074.00	
0061-3670-1	Unrestricted net assets		175,074.00
Total		175,074.00	175,074.00
Reclassifying Journal Entries JE # 110			
ENT: To record PY unbilled.		PY wps	
0060-440-440-0000-4988-0000	UNBILLED REVENUE	148,679.00	
0061-450-450-0000-4988-0000	UNBILLED REVENUE	725,900.00	
0060-3670-2	Unrestricted net assets		148,679.00
0061-3670-1	Unrestricted net assets		725,900.00
Total		874,579.00	874,579.00
Reclassifying Journal Entries JE # 111			
ENT: To record PY allowance.		PY wps	
0060-3670-2	Unrestricted net assets	54,531.00	
0061-3670-1	Unrestricted net assets	156,938.00	
0060-440-440-0000-4214-0000	SEWER RATES		54,531.00
0061-450-450-0000-4211-0000	WATER RATES		156,938.00
Total		211,469.00	211,469.00
Reclassifying Journal Entries JE # 112			
ALL: To record immaterial plug to reconcile BFB.		SEW-WTB	
0060-3670-2	Unrestricted net assets	6.00	
0061-3670-1	Unrestricted net assets	2.00	
0077-000-000-0000-3595-0000	MIDDLE SCHOOL STABILIZATION FUND BALANCE	1.00	
0060-440-440-0000-4830-0000	INTEREST		6.00
0061-450-450-0000-4830-0000	INTEREST		2.00
0077-000-000-0000-4830-0000	INTEREST ON INVESTMENTS		1.00
Total		9.00	9.00
Reclassifying Journal Entries JE # 113			
OPEB: To record gross up for GASB 74/75 on-behalf payments.		DEBT-420	
87-5000	Benefit Payments	2,439,590.00	
87-4000	Contributions		2,439,590.00
Total		2,439,590.00	2,439,590.00
Reclassifying Journal Entries JE # 114			
OPEB: To reclass investments.		A-050	
87-1150	OPEB - Investments	32,978,187.00	
0087-000-000-0000-1040-0000	CASH		32,978,187.00
Total		32,978,187.00	32,978,187.00
Reclassifying Journal Entries JE # 115			
TF: To reclassify nonspendable fund balance in accordance with GASB 54.		TF-020	
0091-3950	Restricted - Hapgood (MH)	142,903.00	
0094-3590	Restricted - Cemetery (MH)	544,941.00	
0091-3940	Nonexpendable FB - Hapgood (MH)		142,903.00
0094-3940	Nonexpendable FB - Cemetery (MH)		544,941.00

Total		<u><u>687,844.00</u></u>	<u><u>687,844.00</u></u>
Reclassifying Journal Entries JE # 116			
STAB: To reclassify fund balance in accordance with GASB 54.	STAB-020		
0077-000-000-0000-3595-0000 MIDDLE SCHOOL STABILIZATION FUND BALANCE		3,632,527.00	
0078-000-000-0000-3200-999 FUND BALANCE - INSURANCE RESERVE CLAIMS		3,149,428.00	
0079-000-000-0000-3595-0000 EMERGENCY RESPONSE STABILIZATION FD BAL		104,972.00	
0080-000-000-0000-3595-0000 CPS TECHNOLOGY STABILIZATION FD BAL		774.00	
0083-000-000-0000-3595-0000 GENERAL STABILIZATION FD BAL		4,696.00	
0085-000-000-0000-3595-0000 CPS CAP NEEDS STAB DESIG FD BAL		47,236.00	
STAB-3580 Stabilization Unassigned Fund Balance (MH)			4,696.00
STAB-3590 Stabilization Committed Fund Balances (MH)			6,934,937.00
Total		<u><u>6,939,633.00</u></u>	<u><u>6,939,633.00</u></u>
Reclassifying Journal Entries JE # 117			
STAB: To reclass investments.	A-010		
0079-1100 Investments		10,237,426.00	
0084-000-000-0000-1040-0000 CASH - UNRESTRICTED CHECKING			10,237,426.00
Total		<u><u>10,237,426.00</u></u>	<u><u>10,237,426.00</u></u>
Reclassifying Journal Entries JE # 118			
GF & Sewer: To reclass debt service payments from GF to Sewer.	DEBT-010		
0001-000-000-0000-5977-999 TRANSFERS OUT		97,914.00	
0059-440-440-0454-5910-0000 PRINCIPAL LONG-TERM DEBT		93,052.00	
0059-440-440-0454-5920-0000 INTEREST ON LONG-TERM DEBT		4,862.00	
0001-700-700-0091-5920-0000 INTEREST ON LONG-TERM DEBT			4,862.00
0001-700-700-0097-5910-0023 MATURING PRIN. LONG-TERM EXCL DEBT TOWN			93,052.00
0059-6500 Transfers in			97,914.00
Total		<u><u>195,828.00</u></u>	<u><u>195,828.00</u></u>
Reclassifying Journal Entries JE # 119			
GF: To remove tax foreclosures at the fund level.	GF-WTB		
0001-000-000-0000-2623-0000 DEFERRED REVENUE TAX FORECLOSURE		4,019.00	
0001-000-000-0000-1880-0000 TAX FORECLOSURES			4,019.00
Total		<u><u>4,019.00</u></u>	<u><u>4,019.00</u></u>
Reclassifying Journal Entries JE # 120			
GF: To record CY ATB Liability. (CY NA)	TAX-080		
0001-000-000-0001-4120-2023 FY23 REAL ESTATE TAXES			
GEN-2220 Accrued liabilities			
Total		<u><u>0.00</u></u>	<u><u>0.00</u></u>
Reclassifying Journal Entries JE # 121			
GF: To reclass indirect costs to expenses	ZZ-012		
0001-000-000-0009-4972-0116 TRANSFERS FROM SPECIAL REVENUE		218,955.00	
0001-000-000-0009-4972-0117 TRANSFERS FROM SPECIAL REVENUE		2,198.00	
0001-000-000-0009-4972-0124 TRANSFERS FROM SPECIAL REVENUE		142,950.00	
0001-000-000-0009-4975-0160 TRANSFERS FROM ENTERPRISE FUND		277,699.00	
0001-000-000-0009-4975-0161 TRANSFERS FROM ENTERPRISE FUND		762,613.00	
0001-000-000-0009-4975-0162 TRANSFERS FROM ENTERPRISE FUND		649,522.00	
0001-000-000-0009-4975-0163 TRANSFERS FROM ENTERPRISE FUND		146,665.00	
0001-000-000-0009-4975-1173 TRANSFERS FROM ENTERPRISE FUND		35,777.00	
0001-5100 General Government			1,472,163.00
0001-5100 General Government			74,489.00
0001-5400 Public Works			667,610.00
0001-5400 Public Works			18,719.00
0001-5500 Health and Human Services			3,398.00
Total		<u><u>2,236,379.00</u></u>	<u><u>2,236,379.00</u></u>
Reclassifying Journal Entries JE # 122			
ALL: To net intrafund transfers.	GF-CONS		
0030-122-137-0427-4973-0000 TRANSFER FROM CAPITAL PROJECT		91,879.00	
0030-220-220-0422-4973-0000 TRANSFER FROM CAPITAL PROJECT		150,000.00	
GEN-4000 Transfers in		4,120,592.00	
0030-122-123-0418-4973-0000 TRANSFER FROM CAPITAL PROJECT			150,000.00
0030-122-127-0426-5988-0000 TRANS TO CAPITAL PROJECTS FUND			39,744.00
0030-215-215-0361-5988-0000 TRANS TO CAPITAL PROJECTS FUND			52,135.00
GEN-7000 Transfers out			4,120,592.00
Total		<u><u>4,362,471.00</u></u>	<u><u>4,362,471.00</u></u>
Reclassifying Journal Entries JE # 123			
ALL: To reclassify accrued payroll out of accounts payable.	A-007A		
0001-000-000-0000-2020-0000 ACCOUNTS PAYABLE		870,673.00	
0010-000-000-0000-2020-0000 ACCOUNTS PAYABLE		1,121.00	
0017-000-000-0000-2020-0000 ACCOUNTS PAYABLE		1,026.00	
0023-000-000-0000-2020-0000 ACCOUNTS PAYABLE		2,570.00	
0024-000-000-0000-2020-0000 ACCOUNTS PAYABLE		75,459.00	
0025-000-000-0000-2020-0000 ACCOUNTS PAYABLE		2,666.00	
0027-000-000-0000-2020-0000 ACCOUNTS PAYABLE		5,474.00	
0028-000-000-0000-2020-0000 ACCOUNTS PAYABLE		2,342.00	
0060-000-000-0000-2020-0000 ACCOUNTS PAYABLE		16,813.00	
0061-000-000-0000-2020-0000 ACCOUNTS PAYABLE		49,518.00	
0064-000-000-0000-2020-0000 ACCOUNTS PAYABLE		28,045.00	
0095-000-000-0000-2020-0000 ACCOUNTS PAYABLE		20,788.00	
0096-000-000-0000-2020-0000 ACCOUNTS PAYABLE		3,015.00	
0001-000-000-0000-2110-0000 ACCRUED PAYROLL			870,673.00
0010-000-000-0000-2110-0000 ACCRUED PAYROLL			1,121.00
0017-000-000-0000-2110-0000 ACCRUED PAYROLL			1,026.00
0023-000-000-0000-2110-0000 ACCRUED PAYROLL			2,570.00

0024-2110	Accrued Payroll		75,459.00
0025-2110	Accrued Payroll		2,666.00
0027-000-000-0000-2110-0000	ACCRUED PAYROLL		5,474.00
0028-2110	State Grants - Accrued payroll		2,342.00
0060-000-000-0000-2110-0000	ACCRUED PAYROLL		16,813.00
0061-000-000-0000-2110-0000	ACCRUED PAYROLL		49,518.00
0064-2110	Accrued Payroll		28,045.00
0095-2110	Accrued Payroll (M)		20,788.00
0096-2110	Accrued Payroll (M)		3,015.00
Total		1,079,510.00	1,079,510.00
Reclassifying Journal Entries JE # 124			
GF: To reclassify article carryforwards.			
0001-000-000-0000-3211-0000	UNDESIGNATED FUND BALANCE	3,164,783.00	
GEN-3211	ARTICLE CARRYFORWARDS		3,164,783.00
Total		3,164,783.00	3,164,783.00
Reclassifying Journal Entries JE # 125			
GF: To reclassify committed fund balance portion of reserve for expenditures.			
0001-000-000-0000-3240-0000	FUND BAL RESERVED FOR EXPENDIT	1,707,214.00	
GEN-3212	RESERVE FOR EXPENDITURES		1,707,214.00
Total		1,707,214.00	1,707,214.00
Reclassifying Journal Entries JE # 126			
GF: To reclass investments.			
0001-000-000-0000-1040-0000	Investments	12,309,155.00	
GEN-1160	CASH - UNRESTRICTED CHECKING		12,309,155.00
Total		12,309,155.00	12,309,155.00
Reclassifying Journal Entries JE # 128			
SRF: To record CY ARPA Unearned Revenue			
0027-122-123-0266-4580-0000	FEDERAL REVENUE THRU THE STATE	4,312,725.00	
0027-2800	Unearned revenue		4,312,725.00
Total		4,312,725.00	4,312,725.00
Reclassifying Journal Entries JE # 129			
CPF: To adjust BANs payable for FS purposes.			
0030-000-000-0000-2720-0000	BOND ANTICIPATION NOTES PAYABLE	1.00	
0030-000-000-0000-2020-0000	ACCOUNTS PAYABLE		1.00
Total		1.00	1.00
Reclassifying Journal Entries JE # 130			
SRF: To reclassify transfers recorded in revenue accounts			
0024-520-630-1085-4320-0000	RECREATION PROGRAM FEES	48.00	
0024-520-630-1086-4320-0000	SUMMER PROGRAM FEES	16,613.00	
0024-520-630-1087-4320-0000	SCHOOL PROGRAM FEES	12,738.00	
0024-4900	Transfer in		29,399.00
Total		29,399.00	29,399.00
Reclassifying Journal Entries JE # 131			
SRF: To reclass immaterial debit revenue balances for FS reporting purposes.			
0025-180-175-1074-4320-0000	FEES-REGIONAL HOUSING SERVICES	2,878.00	
0025-180-672-1155-4370-0000	MISCELLANEOUS REVENUE		38.00
0025-210-210-0261-4580-0000	FEDERAL REVENUE THRU THE STATE		2,840.00
Total		2,878.00	2,878.00
Reclassifying Journal Entries JE # 132			
SRF: To reclassify committed and unassigned (deficit) fund balance in accordance with GASB 54 for financial reporting.			
0023-3920	Gifts - Unassigned FB (M)	574.00	
0026-000-000-0000-3595-0000	LAND FUND FUND BALANCE	41,031.00	
0027-3920	Federal Grants Unassigned (MH)	819,997.00	
0028-3920	State grants - unassigned FB	102,465.00	
0088-3920	Unassigned FBAL (M)	7,142.00	
0095-3920	Unassigned FBAL (M)	40,342.00	
0096-3920	Unassigned FBAL (M)	11,379.00	
0023-3595	Gifts - Designated for other purposes		574.00
0026-3980	Land Acquisition Committed (MH)		41,031.00
0027-291-291-0248-3595-0000	FEMA-4496-DR-MA COVID-19 GRANT FUND BALANCE		819,997.00
0028-410-422-0771-3595-0000	CAMBRIDGE TURNPIKE FD BAL		102,465.00
0088-000-000-0825-3595-0000	STUDENT ACTIVITIES FUND BALANCE		7,142.00
0095-210-210-2509-3595-0000	AGENCY - POLICE DETAILS FUND BALANCE		40,342.00
0096-220-220-2582-3595-0000	AGENCY - FIRE ODD FUND BALANCE		11,379.00
Total		1,022,930.00	1,022,930.00
Reclassifying Journal Entries JE # 133			
GF & WAT: To reclass debt service payments.			
0001-700-700-0091-5910-0000	MATURING PRIN. LONG-TERM DEBT	125,000.00	
0001-700-700-0091-5920-0000	INTEREST ON LONG-TERM DEBT	21,325.00	
0001-700-700-0092-5920-0000	INTEREST ON LONG-TERM DEBT	5,700.00	
0061-450-450-0000-5920-0000	INTEREST ON LONG-TERM DEBT	9,420.00	
0001-700-700-0091-5910-0000	MATURING PRIN. LONG-TERM DEBT		21,325.00
0001-700-700-0091-5920-0000	INTEREST ON LONG-TERM DEBT		125,000.00
0001-700-700-0092-5910-0000	MATURING PRIN. LONG-TERM DEBT		5,700.00
0061-450-450-0000-5910-0000	MATURING PRIN. LONG-TERM DEBT		9,420.00
Total		161,445.00	161,445.00
Reclassifying Journal Entries JE # 134			
CPF: To record unassigned fund balance for deficits.			
0030-3520	Unassigned FB (M)	176,000.00	

0030-3000	Plug to Open WTB				176,000.00
Total				<u>176,000.00</u>	<u>176,000.00</u>
Reclassifying Journal Entries JE # 135					
GF: To record 60 day accrual					
0001-000-000-0000-2610-0000	DEFERRED REVENUE RE PP TAXES		211,368.00		
0001-000-000-0001-4120-2023	FY23 REAL ESTATE TAXES				211,368.00
Total			<u>211,368.00</u>		<u>211,368.00</u>
Reclassifying Journal Entries JE # 136					
GF: To record Prior year lease receivable/deferred inflows					
GEN-1370	Lease receivable - current		2,278,735.00		
GEN-2952	Deferred Inflows - Leases				2,278,735.00
Total			<u>2,278,735.00</u>		<u>2,278,735.00</u>
Reclassifying Journal Entries JE # 137					
GF: To record current year amortization of lease receivable and deferred inflow					
GEN-2952	Deferred Inflows - Leases		287,220.00		
GEN-4800	Lease revenue		238,267.00		
GEN-1370	Lease receivable - current				238,267.00
GEN-4800	Lease revenue				287,220.00
Total			<u>525,487.00</u>		<u>525,487.00</u>
Reclassifying Journal Entries JE # 138					
ENT: To record CY change in Water inventory					
0061-000-000-0000-1820-0000	INVENTORY		18,239.00		
0061-450-450-0000-5586-0000	CHEMICAL SUPPLIES				18,239.00
Total			<u>18,239.00</u>		<u>18,239.00</u>
Reclassifying Journal Entries JE # 139					
ENT: To record Unbilled					
0060-000-000-0000-1390-0000	UNBILLED REVENUE		143,856.00		
0061-000-000-0000-1390-0000	UNBILLED REVENUE		283,291.00		
0060-440-440-0000-4988-0000	UNBILLED REVENUE				143,856.00
0061-450-450-0000-4988-0000	UNBILLED REVENUE				283,291.00
Total			<u>427,147.00</u>		<u>427,147.00</u>
Reclassifying Journal Entries JE # 140					
SRF/GF: To reclassify negative cash to due to/due from					
0001-1301	Due from other funds		382,485.00		
0029-000-000-0000-1040-0000	CASH - UNRESTRICTED CHECKING		382,485.00		
0001-000-000-0000-1040-0000	CASH - UNRESTRICTED CHECKING				382,485.00
0029-2900	Due to other funds				382,485.00
Total			<u>764,970.00</u>		<u>764,970.00</u>
Total Reclassifying Journal Entries			<u>105,873,619.00</u>		<u>105,873,619.00</u>
GASB Entries					
GASB Entries JE # 1001					
GOV: To record MTRS support at government-wide level					
GOVW-5300	Education		79,173.00		
GOVW-4999	GASB 24				79,173.00
Total			<u>79,173.00</u>		<u>79,173.00</u>
GASB Entries JE # 1002					
ENT: To record PY entry to eliminate deferred revenue.					
0060-440-440-0000-4214-0000	SEWER RATES		612,731.00		
0061-4211-999	Deferred Revenue Elimination		843,477.00		
0060-3670-2	Unrestricted net assets				612,731.00
0061-3670-1	Unrestricted net assets				843,477.00
Total			<u>1,456,208.00</u>		<u>1,456,208.00</u>
GASB Entries JE # 1003					
ENT: To record PY capital assets.					
0060-1900-2	Capital assets		37,567,505.00		
0060-1990-2	Capital Assets not being depreciated		927,378.00		
0061-1900-1	Capital assets		39,316,637.00		
0061-1990-1	Capital assets not being depreciated		5,353,713.00		
0064-1900	Capital assets being depreciated		12,045,764.00		
0060-1950-2	Accum. Depr.				21,655,740.00
0060-3670-2	Unrestricted net assets				16,839,143.00
0061-1950-1	Accum. Depr.				16,900,781.00
0061-3670-1	Unrestricted net assets				27,769,569.00
0064-1950	Accumulated depreciation				5,082,471.00
0064-3670	Unrestricted net assets				6,963,293.00
Total			<u>95,210,997.00</u>		<u>95,210,997.00</u>
GASB Entries JE # 1004					
ENT: To record PY NPL and related deferred inflows/outflows.					
0060-1350	Deferred Outflow - Pension		57,298.00		
0060-2300	Net pension liability		26,120.00		
0060-3670-2	Unrestricted net assets		65,854.00		
0061-1350	Deferred Outflow - Pension		229,187.00		
0061-2300	Net pension liability		104,480.00		
0061-3670-1	Unrestricted net assets		263,417.00		
0064-1350	Deferred Outflow - Pension		83,808.00		
0064-2300	Net pension liability		47,395.00		
0064-3670	Unrestricted net assets		158,294.00		
0060-2350	Deferred inflows - Pension				149,272.00

0061-2350	Deferred inflows - Pension		597,084.00
0064-2350	Deferred inflows - Pension		289,497.00
Total		1,035,853.00	1,035,853.00

GASB Entries JE # 1005

ENT: To record PY compensated absences liability.

0060-3670-2	Unrestricted net assets	26,433.00	
0061-3670-1	Unrestricted net assets	105,730.00	
0064-3670	Unrestricted net assets	24,373.00	
0060-2235-2	Comp. Abs. - non-current		26,433.00
0061-2235-1	Comp. Abs. - non-current		105,730.00
0064-2960	Compensated absences -- non-current		24,373.00
Total		156,536.00	156,536.00

PY wps

GASB Entries JE # 1006

ENT: To record PY OPEB liability and related deferred inflows/outflows.

0060-1351	Deferred outflow - OPEB	78,105.00	
0060-3670-2	Unrestricted net assets	97,617.00	
0061-1351	Deferred outflow - OPEB	255,068.00	
0061-3670-1	Unrestricted net assets	398,270.00	
0064-1351	Deferred outflow - OPEB	63,950.00	
0064-3670	Unrestricted net assets	334,001.00	
0060-2351	Deferred inflows - OPEB		53,920.00
0060-2999	OPEB		121,802.00
0061-2351	Deferred inflows - OPEB		147,389.00
0061-2999	OPEB		505,949.00
0064-2351	Deferred inflows - OPEB		238,671.00
0064-2999	OPEB		159,280.00
Total		1,227,011.00	1,227,011.00

PY wps

GASB Entries JE # 1007

ENT: To record PY bonds payable.

0060-3670-2	Unrestricted net assets	4,233,751.00	
0061-3670-1	Unrestricted net assets	5,094,000.00	
0060-2910-2	Bonds payable - non-current		4,233,751.00
0061-2910-1	Bonds payable non-current		5,094,000.00
Total		9,327,751.00	9,327,751.00

PY wps

GASB Entries JE # 1008

ENT: To record PY accrued interest.

0060-3670-2	Unrestricted net assets	37,995.00	
0061-3670-1	Unrestricted net assets	57,316.00	
0060-440-0000-5920-0000	INTEREST ON LONG-TERM DEBT		37,995.00
0061-450-0000-5920-0000	INTEREST ON LONG-TERM DEBT		57,316.00
Total		95,311.00	95,311.00

PY wps

GASB Entries JE # 1009

ENT: To record PY entry to record bond premium liability.

0061-3670-1	Unrestricted net assets	702,106.00	
0061-2995	Bond Premium - Non-Current		702,106.00
Total		702,106.00	702,106.00

PY wps

GASB Entries JE # 1010

GOV: To record PY Fixed Assets

GOVW-1900	Capital Assets being depreciated	146,506,615.00	
GOVW-1990	Capital assets not being depreciated	60,513,392.00	
GOVW-1950	Accumulated depreciation		32,582,287.00
GOVW-3670	Unrestricted net assets		174,437,720.00
Total		207,020,007.00	207,020,007.00

CONV-001

GASB Entries JE # 1011

GOV: To record prior year liabilities

GOVW-3670	Unrestricted net assets	51,019,359.00	
GOVW-2002	Bond premium - LT		5,435,818.00
GOVW-2250	Landfill - non-current		100,000.00
GOVW-2600	Compensated absences - non current		2,639,415.00
GOVW-2910	Bonds payable - non-current		42,536,531.00
GOVW-2911	Loans payable - non-current		307,595.00
Total		51,019,359.00	51,019,359.00

CONV-001

GASB Entries JE # 1012

GOV: To record prior year OPEB and related deferrals

GOVW-1957	Deferred outflows - OPEB	2,995,345.00	
GOVW-3670	Unrestricted net assets	27,429,043.00	
GOVW-2951	Deferred inflows - OPEB		9,917,066.00
GOVW-2999	OPEB		20,507,322.00
Total		30,424,388.00	30,424,388.00

CONV-001

GASB Entries JE # 1013

GOV: To record prior year NPL and related deferrals

GOVW-1955	Deferred Outflow - Related to pensions	6,401,852.00	
GOVW-2940	Net pension liability	3,977,378.00	
GOVW-3670	Unrestricted net assets	9,673,602.00	
GOVW-2950	Deferred inflows - Pension		20,052,832.00
Total		20,052,832.00	20,052,832.00

CONV-001

GASB Entries JE # 1014

GOV: To record pror year deferred outflow related to refunding

GOVW-1956	Deferred outflow - other	195,780.00	
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CONV-001

	GOVW-3670	Unrestricted net assets		195,780.00
Total			195,780.00	195,780.00
GASB Entries JE # 1015				
GOV: To record prior year accrued interest				
	GOVW-3670	Unrestricted net assets	291,606.00	
	GOVW-5810	Debt service - Interest		291,606.00
Total			291,606.00	291,606.00
GASB Entries JE # 1016				
GOV: To record prior year deferred revenue adjustment				
	GOVW-4010	Excise tax rev	257,994.00	
	GOVW-4120	Property tax revenue	1,334,327.00	
	GOVW-4141	Deferred taxes redeemed	251,920.00	
	GOVW-4300	Charges for services - GG	14,455.00	
	GOVW-4304	Charges for services - PW	342,473.00	
	GOVW-4900	Miscellaneous revenue	7,200.00	
	GOVW-3670	Unrestricted net assets		2,208,369.00
Total			2,208,369.00	2,208,369.00
GASB Entries JE # 1017				
GOV: To record prior year allowance				
	GOVW-3670	Unrestricted net assets	551,169.00	
	GOVW-4010	Excise tax rev		85,312.00
	GOVW-4120	Property tax revenue		465,857.00
Total			551,169.00	551,169.00
GASB Entries JE # 1018				
ENT: To reclass CY debt service payments (bonds).				
	0060-2910-2	Bonds payable - non-current	900,652.00	
	0061-2910-1	Bonds payable non-current	572,000.00	
	0060-440-440-0000-5910-0000	MATURING PRIN. LONG-TERM DEBT		900,652.00
	0061-450-450-0000-5910-0000	MATURING PRIN. LONG-TERM DEBT		572,000.00
Total			1,472,652.00	1,472,652.00
GASB Entries JE # 1019				
ENT: To reclass CY debt issuance (bonds).				
	0061-450-450-0409-4910-0000	PRINCIPLE FROM SALE OF BONDS	3,650,000.00	
	0061-2910-1	Bonds payable non-current		3,650,000.00
Total			3,650,000.00	3,650,000.00
GASB Entries JE # 1020				
ENT: To reclass current portion of bonds payable.				
	0060-2910-2	Bonds payable - non-current	912,635.00	
	0061-2910-1	Bonds payable non-current	925,000.00	
	0060-2900-2	Bonds payable - current		912,635.00
	0061-2900-1	Bonds payable - current		925,000.00
Total			1,837,635.00	1,837,635.00
GASB Entries JE # 1021				
GOV: To reclass CY debt service payments (bonds).				
	GOVW-2910	Bonds payable - non-current	6,488,376.00	
	GOVW-5910	Debt service - principal		6,488,376.00
Total			6,488,376.00	6,488,376.00
GASB Entries JE # 1022				
GOV: To reclass CY debt issuance (bonds).				
	GOVW-6000	Bond proceeds	54,900,000.00	
	GOVW-2910	Bonds payable - non-current		54,900,000.00
Total			54,900,000.00	54,900,000.00
GASB Entries JE # 1023				
GOV: To reclass current portion of bonds payable.				
	GOVW-2910	Bonds payable - non-current	8,172,807.00	
	GOVW-2900	Bonds payable - current		8,172,807.00
Total			8,172,807.00	8,172,807.00
GASB Entries JE # 1024				
GOV: To reclass CY debt service payments (loans).				
	GOVW-2911	Loans payable - non-current	144,541.00	
	GOVW-5300	Education		144,541.00
Total			144,541.00	144,541.00
GASB Entries JE # 1025				
GOV: To reclass CY debt issuance (loans). (CY NA)				
	GOVW-2911	Loans payable - non-current		
Total			0.00	0.00
GASB Entries JE # 1026				
GOV: To record current portion of loans payable.				
	GOVW-2911	Loans payable - non-current	108,382.00	
	GOVW-2901	Loans payable - current		108,382.00
Total			108,382.00	108,382.00
GASB Entries JE # 1027				
GOV: To amortize loss on refunding.				
	0001-700-700-0093-5930-0000	INTEREST ON TEMPORARY LOAN	27,969.00	
	GOVW-1956	Deferred outflow - other		27,969.00
Total			27,969.00	27,969.00

GASB Entries JE # 1028		DEBT-014		
GOV: To reclass CY bond premium.				
	GOVW-6002 Refunding premium		1,266,000.00	
	GOVW-2002 Bond premium - LT			1,266,000.00
Total			<u>1,266,000.00</u>	<u>1,266,000.00</u>
GASB Entries JE # 1029		DEBT-014		
GOV: To record CY bond premium amortization.				
	GOVW-2002 Bond premium - LT		676,976.00	
	GOVW-5810 Debt service - Interest			676,976.00
Total			<u>676,976.00</u>	<u>676,976.00</u>
GASB Entries JE # 1030		DEBT-014		
GOV: To reclass current portion of unamortized bond premium.				
	GOVW-2002 Bond premium - LT		719,176.00	
	GOVW-2001 Bond premium - current			719,176.00
Total			<u>719,176.00</u>	<u>719,176.00</u>
GASB Entries JE # 1031		DEBT-014		
ENT: To reclass CY bond premium.				
	0061-450-450-0380-4940-0000 PREMIUM FROM SALE OF BONDS		350,000.00	
	0061-2995 Bond Premium - Non-Current			350,000.00
Total			<u>350,000.00</u>	<u>350,000.00</u>
GASB Entries JE # 1032		DEBT-014		
ENT: To record CY bond premium amortization.				
	0061-2995 Bond Premium - Non-Current		73,742.00	
	0061-450-450-0000-5920-0000 INTEREST ON LONG-TERM DEBT			73,742.00
Total			<u>73,742.00</u>	<u>73,742.00</u>
GASB Entries JE # 1033		DEBT-014		
ENT: To reclass current portion of unamortized bond premium.				
	0061-2995 Bond Premium - Non-Current		108,742.00	
	0061-2990 Bond Premium - Current			108,742.00
Total			<u>108,742.00</u>	<u>108,742.00</u>
GASB Entries JE # 1034		DEBT-013		
GOV: To record CY accrued interest (bonds).				
	GOVW-5810 Debt service - Interest		659,999.00	
	GOVW-2220 Accrued liabilities			659,999.00
Total			<u>659,999.00</u>	<u>659,999.00</u>
GASB Entries JE # 1035		DEBT-013		
ENT: To record CY accrued interest (bonds).				
	0060-440-440-0000-5920-0000 INTEREST ON LONG-TERM DEBT		30,164.00	
	0061-450-450-0000-5920-0000 INTEREST ON LONG-TERM DEBT		81,355.00	
	0060-2220-2 Accrued liabilities			30,164.00
	0061-2290 Accrued liabilities			81,355.00
Total			<u>111,519.00</u>	<u>111,519.00</u>
GASB Entries JE # 1036		IAT-WTB & SEW-WTB		
ENT: To eliminate deferred revenue.				
	0059-2654-999 Deferred Revenue Elimination		539,784.00	
	0061-2654-999 Deferred Revenue Elimination		1,301,551.00	
	0059-4211-999 Deferred Revenue Elimination			539,784.00
	0061-4211-999 Deferred Revenue Elimination			1,301,551.00
Total			<u>1,841,335.00</u>	<u>1,841,335.00</u>
GASB Entries JE # 1037		FA-010/FA-022		
To record Capital Asset additions				
	0060-1900-2 Capital assets		744,257.00	
	0061-1900-1 Capital assets		1,878,543.00	
	0061-1990-1 Capital assets not being depreciated		931,657.00	
	0064-1900 Capital assets being depreciated		40,272.00	
	GOVW-1900 Capital Assets being depreciated		2,726,770.00	
	GOVW-1900 Capital Assets being depreciated		713,821.00	
	GOVW-1990 Capital assets not being depreciated		9,890,839.00	
	0060-5930-2 Non-personnel			744,257.00
	0061-5930-2 Non-personnel			2,810,200.00
	0064-650-650-1088-5115-0000 LIMITED STATUS			40,272.00
	GOVW-1990 Capital assets not being depreciated			713,821.00
	GOVW-5100 General government			9,067,760.00
	GOVW-5200 Public safety			181,327.00
	GOVW-5300 Education			493,464.00
	GOVW-5400 Public works			2,801,256.00
	GOVW-5600 Culture and recreation			73,802.00
Total			<u>16,926,159.00</u>	<u>16,926,159.00</u>
GASB Entries JE # 1038		FA-010		
To record Capital Asset deletions				
	0060-5930-2 Non-personnel		77,378.00	
	GOVW-1950 Accumulated depreciation		79,195.00	
	GOVW-5200A Loss on Disposal (MH)		12,323.00	
	0060-1990-2 Capital Assets not being depreciated			77,378.00
	GOVW-1900 Capital Assets being depreciated			87,919.00
	GOVW-1990 Capital assets not being depreciated			3,599.00
Total			<u>168,896.00</u>	<u>168,896.00</u>

GASB Entries JE # 1039

To record Current Year Depreciation

0060-5940-2	Depreciation	929,026.00	
0061-5950	Depreciation	1,173,938.00	
0064-8000	Depreciation expense	346,984.00	
GOVW-5100	General government	1,177,943.00	
GOVW-5200	Public safety	1,127,328.00	
GOVW-5300	Education	2,529,753.00	
GOVW-5400	Public works	2,675,080.00	
GOVW-5500	Health and Human services	96,673.00	
GOVW-5600	Culture and recreation	420,519.00	
0060-1950-2	Accum. Depr.		929,026.00
0061-1950-1	Accum. Depr.		1,173,938.00
0064-1950	Accumulated depreciation		346,984.00
GOVW-1950	Accumulated depreciation		8,027,296.00
Total		10,477,244.00	10,477,244.00

FA-010**GASB Entries JE # 1040**

To record amortization of landfill liability

GOVW-2250	Landfill - non-current	10,000.00	
GOVW-2250	Landfill - non-current	10,000.00	
GOVW-2255	Landfill -- Current		10,000.00
GOVW-5400	Public works		10,000.00
Total		20,000.00	20,000.00

DEBT-300**GASB Entries JE # 1041**

ENT: To record CY change in NPL and related deferred inflows/outflows.

0060-1350	Deferred Outflow - Pension	69,205.00	
0060-2350	Deferred inflows - Pension	107,966.00	
0060-440-000-0000-5111-0000	REGULAR FULL-TIME	9,494.00	
0061-1350	Deferred Outflow - Pension	276,824.00	
0061-2350	Deferred inflows - Pension	431,862.00	
0061-450-000-0000-5111-0000	REGULAR FULL-TIME	37,973.00	
0064-1350	Deferred Outflow - Pension	148,482.00	
0064-2350	Deferred inflows - Pension	210,663.00	
0060-2300	Net pension liability		186,665.00
0061-2300	Net pension liability		746,659.00
0064-2300	Net pension liability		348,751.00
0064-650-650-0000-5111-0000	REGULAR FULL-TIME		10,394.00
Total		1,292,469.00	1,292,469.00

DEBT-701**GASB Entries JE # 1042**

GOV: To record CY change in NPL and related deferred inflows/outflows.

GOVW-1955	Deferred Outflow - Related to pensions	10,397,096.00	
GOVW-2950	Deferred inflows - Pension	15,912,236.00	
GOVW-5100	General government	120,515.00	
GOVW-5200	Public safety	171,822.00	
GOVW-5300	Education	170,195.00	
GOVW-5400	Public works	54,969.00	
GOVW-5500	Health and Human services	11,592.00	
GOVW-5600	Culture and recreation	36,122.00	
GOVW-2940	Net pension liability		26,874,547.00
Total		26,874,547.00	26,874,547.00

DEBT-701**GASB Entries JE # 1043**

GOV: To classify lease receivable between current/non-current

GOVW-1375	Lease receivable - non-current	1,798,297.00	
GOVW-1370	Lease receivable - current		1,798,297.00
Total		1,798,297.00	1,798,297.00

DEBT-800**GASB Entries JE # 1044**

ENT: To record CY change in OPEB liability and related deferred inflows/outflows.

0060-2999	OPEB	105,122.00	
0061-2999	OPEB	318,296.00	
0064-2999	OPEB	140,515.00	
0060-1351	Deferred outflow - OPEB		28,403.00
0060-2351	Deferred inflows - OPEB		68,346.00
0060-440-000-0000-5111-0000	REGULAR FULL-TIME		8,373.00
0061-1351	Deferred outflow - OPEB		35,759.00
0061-2351	Deferred inflows - OPEB		264,822.00
0061-450-000-0000-5111-0000	REGULAR FULL-TIME		17,715.00
0064-1351	Deferred outflow - OPEB		28,874.00
0064-2351	Deferred inflows - OPEB		37,036.00
0064-650-650-0000-5111-0000	REGULAR FULL-TIME		74,605.00
Total		563,933.00	563,933.00

DEBT-410**GASB Entries JE # 1045**

GOV: To record CY change in OPEB liability and related deferred inflows/outflows.

GOVW-1957	Deferred outflows - OPEB	727,357.00	
GOVW-2951	Deferred inflows - OPEB	581,281.00	
GOVW-2999	OPEB	997,661.00	
GOVW-5100	General government		149,448.00
GOVW-5200	Public safety		263,841.00
GOVW-5300	Education		1,698,820.00
GOVW-5400	Public works		105,398.00
GOVW-5500	Health and Human services		15,452.00
GOVW-5600	Culture and recreation		73,340.00
Total		2,306,299.00	2,306,299.00

DEBT-410

GASB Entries JE # 1046

ENT: To record CY change in compensated absences liability.

0060-2235-2	Comp. Abs. - non-current	3,261.00	
0061-2235-1	Comp. Abs. - non-current	13,042.00	
0064-2960	Compensated absences -- non-current	6,053.00	
0060-440-000-0000-5111-0000	REGULAR FULL-TIME		3,261.00
0061-450-000-0000-5111-0000	REGULAR FULL-TIME		13,042.00
0064-650-650-0000-5111-0000	REGULAR FULL-TIME		6,053.00
Total		22,356.00	22,356.00

DEBT-500

GASB Entries JE # 1047

ENT: To record current portion of compensated absences liability.

0060-2235-2	Comp. Abs. - non-current	2,317.00	
0061-2235-1	Comp. Abs. - non-current	9,269.00	
0064-2960	Compensated absences -- non-current	1,832.00	
0060-2230-2	Comp. Abs. - current		2,317.00
0061-2230-1	Comp. Abs. - current		9,269.00
0064-2950	Compensated absences -- current		1,832.00
Total		13,418.00	13,418.00

DEBT-500

GASB Entries JE # 1048

GOV: To record CY change in compensated absences liability.

GOVW-5200	Public safety	560,522.00	
GOVW-5300	Education	424,572.00	
GOVW-5600	Culture and recreation	311.00	
GOVW-2600	Compensated absences - non current		844,428.00
GOVW-5100	General government		97,354.00
GOVW-5400	Public works		42,128.00
GOVW-5500	Health and Human services		1,495.00
Total		985,405.00	985,405.00

DEBT-500

GASB Entries JE # 1049

GOV: To record current portion of compensated absences liability.

GOVW-2600	Compensated absences - non current	348,384.00	
GOVW-2650	Compensated absences - current		348,384.00
Total		348,384.00	348,384.00

DEBT-500

GASB Entries JE # 1050

ENT: To record net invested in capital assets.

0060-3670-2	Unrestricted net assets	13,377,736.00	
0061-3670-1	Unrestricted net assets	25,030,565.00	
0064-3670	Unrestricted net assets	6,656,581.00	
0060-3600-2	NA invested in fa, net of related debt		13,377,736.00
0061-3600	Water NAICANORD		25,030,565.00
0064-3600	NAICANORD		6,656,581.00
Total		45,064,882.00	45,064,882.00

EF-100

GASB Entries JE # 1051

GOV: To eliminate deferred revenue.

0001-000-000-0000-2610-0000	DEFERRED REVENUE RE PP TAXES	1,592,367.00	
0001-000-000-0000-2630-0000	DEFERRED REVENUE MV EXCISE	239,250.00	
0018-000-000-0000-2661-0000	UNAPP DEF TITLE 5 BETTERMENTS	381,658.00	
0001-000-000-0001-4120-2023	FY23 REAL ESTATE TAXES		1,347,192.00
0001-000-000-0002-4141-0000	DEFERRED RE TAX REDEEMED 41A		245,175.00
0001-000-000-0002-4150-2023	FY23 MOTOR VEHICLE EXCISE		239,250.00
0018-455-455-0673-4759-2023	APPORT TITLE 5E BETTERMENT FY23		381,658.00
Total		2,213,275.00	2,213,275.00

GW-WTB

GASB Entries JE # 1052

GOV: To allocate employee benefits.

GOVW-5100	General government	1,711,080.00	
GOVW-5200	Public safety	2,667,352.00	
GOVW-5300	Education	8,080,389.00	
GOVW-5400	Public works	947,676.00	
GOVW-5500	Health and Human services	169,380.00	
GOVW-5600	Culture and recreation	640,853.00	
GOVW-5700	Employee benefits		14,216,730.00
Total		14,216,730.00	14,216,730.00

CONV-090

GASB Entries JE # 1053

ENT: To record reserve for sewer betterment

0060-000-000-0000-3596-0000	RETAINED EARNINGS SEWER FUND	452,603.00	
0060-000-000-0000-3599-0000	Restricted for betterment debt		452,603.00
Total		452,603.00	452,603.00

EF-070

GASB Entries JE # 1054

ENT: To record current portion of betterment receivable

0059-1599	Betterment receivable - current	32,000.00	
0059-000-000-0000-1410-0000	SEW BETT UNAPPORTIONED		32,000.00
Total		32,000.00	32,000.00

EF-055

GASB Entries JE # 1055

GOV: To allocate intergovernmental expenses.

GOVW-5100	General government	446,333.00	
GOVW-5300	Education	68,119.00	
GOVW-5920	Intergovernmental		514,452.00
Total		514,452.00	514,452.00

GW-WTB

GASB Entries JE # 1056

GW-WTB

GOV: To reclassify Tax Liens/Deferred taxes to non-current			
0001-1800	Non-current receivable	615,064.00	
0001-1800	Non-current receivable	245,175.00	
0001-000-000-0000-1240-0000	TAX LIENS RECEIVABLE		615,064.00
0001-000-000-0000-1245-0000	DEFERRED RE TAXES 41A		245,175.00
Total		<u>860,239.00</u>	<u>860,239.00</u>
GASB Entries JE # 1057			
GOV: To record net asset restrictions			
G0VV-3670	Unrestricted net assets	179,192,745.00	
G0VV-3599	Restricted for expendable		4,168,014.00
G0VV-3600	NA invested in fa, net of related debt		148,219,404.00
G0VV-3650	NA restricted for other purposes		26,805,327.00
Total		<u>179,192,745.00</u>	<u>179,192,745.00</u>
GASB Entries JE # 1058			
GOV: To net down due to/due from			
0001-000-000-0000-1040-0000	CASH - UNRESTRICTED CHECKING	382,485.00	
0029-2900	Due to other funds	382,485.00	
0001-1301	Due from other funds		382,485.00
0029-000-000-0000-1040-0000	CASH - UNRESTRICTED CHECKING		382,485.00
Total		<u>764,970.00</u>	<u>764,970.00</u>
	Total GASB Entries	<u>808,773,610.00</u>	<u>808,773,610.00</u>
	Total All Journal Entries	<u>915,712,235.00</u>	<u>915,712,235.00</u>

CONV070/080

GW-WTB



INDEPENDENT AUDITORS' 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 Select Board
Town of Concord, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Concord, Massachusetts (the Town), as of and for the year ended June 30, 2023, (except for the Concord Contributory Retirement System and Concord Municipal Light Plant, which are as of and for the year ended December 31, 2022), and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 29, 2024. The financial statements of the Concord Contributory Retirement System and Concord Municipal Light Plant were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

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

did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2023-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the finding identified in our audit and described in the accompanying Schedule of Findings. The Town's response was not subjected to the other 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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Andover, MA
May 29, 2024

SCHEDULE OF FINDINGS

2023-001 *Improve Reconciliation of Utility Receivables (Significant Deficiency)*

Criteria or Specific Requirement

Effective internal controls include the Town maintaining a system to formally reconcile utility receivables between the detailed customer records and the general ledger.

Condition and Context

A new utility billing system was implemented in 2019. The process of bringing the existing accounts receivable balances to the new system resulted in variances with amounts from the prior system. In addition, the new system does not consistently cut off at month end making the reconciliation process cumbersome. At June30, 2023, the variances (approximately \$113k and \$129k for sewer and water, respectively) remained unresolved and have continued into fiscal year 2024.

Cause

Weaknesses in the design and implementation of internal controls.

Effect

The omission of a comprehensive reconciliation and adequate oversight or review of the reconciliation increases the risk that errors or irregularities in amounts may occur and not be detected in a timely manner by employees in the normal course of performing their assigned functions.

Identification as Repeat Finding

This is a repeat of a prior year management letter comment.

Recommendation

The Town should continue to work with the software provider to resolve the issues noted and develop formal (documented) reconciliation procedures. The benefits of the reconciliation process are: (1) to provide a means of identifying recurring differences in the way transactions are processed within the accounting system(s), and (2) to ensure that financial statement balances (general ledger) are supported by detail accounts maintained separately.

Views of Responsible Official

Management agrees with the finding.

Planned Corrective Action

Management's corrective action plan is included at the end of this report.



Town of Concord
Finance Department
22 Monument Square
P.O. Box 535
Concord, Massachusetts 01742
Tel: (978) 318-3090
Fax: (978) 318-3093

Audit Finding Reference

2023-001 Improve Reconciliation of Utility Receivables

Planned Corrective Action

The CFO along with the Assistant CFO will work with the Public Works Director and the Financial Manager/Accountant at the Concord Municipal Light Plant to develop a documented monthly process of reconciling the utility receivables. When the Town moved from Northstar to NISC, there were some variances that were never resolved. With the implementation of the new monthly reconciliation process, we will be able to identify these variances and make the appropriate adjustments.

Contact Person and Completion Date

Anthony Ansaldi Chief Financial Officer (CFO), Treasurer/Collector

Richard Delorey Town Accountant

The Town of Concord anticipates that the implementation of a new, more comprehensive reconciliation process will be in place by the end of Fiscal Year 2025 (June 30, 2025).

TOWN OF CONCORD, MASSACHUSETTS

Annual Comprehensive Financial Report



For the Year Ended June 30, 2023

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TOWN OF CONCORD, MASSACHUSETTS

Annual Comprehensive Financial Report

**For the Year Ended
June 30, 2023**



**Prepared by:
The Concord Finance Department**

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INTRODUCTORY SECTION

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TOWN OF CONCORD
Office of the Town Manager
Town House
P.O. Box 535
Concord, Massachusetts 01742

TEL: 978-318-3000
FAX: 978-318-3002

Kerry Lafleur, Town Manager

May 29, 2024

To the Honorable Select Board and Citizens of the Town of Concord, Massachusetts:

I am pleased to transmit to you the Town of Concord's ("the Town") Financial Statements for the fiscal year ending June 30, 2023. The report has been prepared by the Town's Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in compliance with GAAP. Because the cost of internal control should not exceed anticipated benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Marcum LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Town's financial statements for the fiscal year ended June 30, 2023, and, further, that they are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not

only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town, founded in 1635, is located in Middlesex County approximately 17 miles northwest of Boston. It is approximately 26 square miles in area and is bordered by the Towns of Sudbury, Lincoln, Acton, Maynard, Carlisle, and Bedford. The Town has received national and international recognition as the birthplace of the American Revolution and home of such noted authors as Louisa May Alcott, Ralph Waldo Emerson, Nathaniel Hawthorne, and Henry David Thoreau. It has been estimated that approximately one million tourists visit the Town each year.

For its residents, businesses, and visitors, the Town provides the following general governmental services: police and fire protection; water and sewer services; electricity distribution services provided through the Concord Municipal Light Plant; trash collection; public works operations; park maintenance; recreation programs that are augmented with a swim and exercise facility; senior services that are located at a senior center; and library services provided by staff at two libraries. The public school system, which includes a regional high school, a middle school, and three elementary schools, has an excellent reputation. In addition, the Massachusetts Bay Transportation Authority (MBTA) provides passenger rail service from two Concord train stations to Boston.

Local legislative decisions are made by a Town Meeting open to all voters registered in Concord. Subject to Town Meeting decisions, and pursuant to the town charter adopted in 1956, the Town Manager is responsible for the daily operations of the Town and of the Municipal Light Plant. Executive decisions are made by the Town's five-person Select Board, whose members are elected at-large and serve for a three-year term on a staggered basis.

Property taxes are assessed by a five-person Board of Assessors whose members are appointed for staggered three-year terms by the Town Manager with approval of the Select Board.

Policies for the Concord Municipal Light Plant are established by a five-person board appointed by the Town Manager and those for the Water & Sewer Division are set by the five-person Public Works Commission also appointed by the Town Manager.

For the schools, oversight of kindergarten through eighth grade is provided by a five-person Concord Public School (CPS) Committee, whose members are elected for a staggered three-year term on an at-large basis. The high school, grades nine through twelve, is comprised of students from the Towns of Concord and Carlisle and is organized as its own regional district distinct from the Town of Concord. The Concord-Carlisle Regional School Committee includes the five CPS Committee members and two Carlisle members.

Factors Affecting Financial Condition

The Town has long recognized the importance of balanced community development. In 1928, the Town adopted one of the first zoning bylaws in the United States, which included districts for residential, business, and industrial uses (following the pattern of existing development). In 1948, the Town adopted a comprehensive planning report that stated, “the present diversified land use pattern of farming, light industry, business and residences should be preserved since it lays the basis for varied local employment and stimulates a more eventful community life than can exist in an exclusively residential suburb.”

Concord’s proximity to Boston, Hanscom Air Field, Route 128, Route 2, and Route 495, have attracted companies to locate in the Town. The West Concord industrial areas, which have provided start-up space for many small businesses in the past, are the focus of redevelopment, renovation, and restoration. There is a diversity of services and products provided by the companies within the Town.

Nevertheless, Concord remains primarily a residential community. Property taxes account for eighty-four percent of General Fund revenues and approximately ninety-two percent of these taxes are derived from residential properties. By offering attractive neighborhoods and high-quality schools in a historic town situated close to Boston, Concord is able to maintain its standing as a desirable place for individuals and families to live.

Relevant Financial Policies

Concord has traditionally taken a conservative approach to budgeting. Town expenditures are by law limited to the appropriation amount but tend to be less than budgeted. Revenues often exceed the budget amount. For local receipts, the actual amount received is generally higher than the amount projected. In addition, estimates for the additional property tax to be received from new construction are based only on known development activity for which there is high likelihood of completion in the upcoming fiscal year.

Maintaining the Town’s infrastructure and other physical assets is a priority. Concord has a policy to dedicate seven to eight percent of annual General Fund resources (minus the allocation for the regional school districts and excluded debt) for capital improvements. A five-year capital improvement plan schedule is carefully followed. Most capital items that are over \$250,000 are funded through the issuance of debt, and the Town has a policy to retire sixty percent of this debt within five years and ninety percent within ten years.

Fund balance as determined by the Free Cash amount certified by the State is maintained at a level of above 5% of the subsequent year's General Fund budget.

As a result of establishing these financial policies as well as following sound fiscal management, the Town has maintained a credit rating of Aaa with Moody's Investors Service since 1987.

Acknowledgements

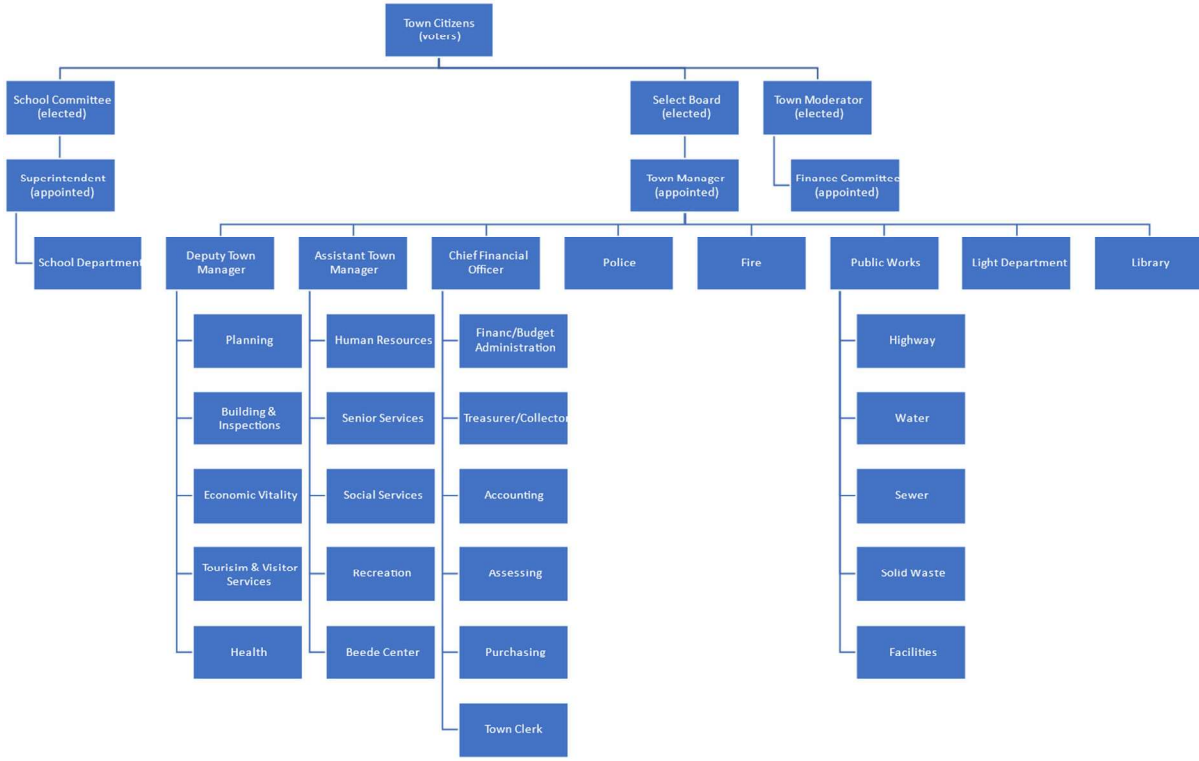
With this annual Financial Statements, the Town of Concord is making relevant and accurate financial information available to the public. For the work throughout the year and specifically for preparing the Financial Statements, I would like to especially thank the Town's Finance Department as well as the audit firm, Marcum LLP, for their efforts to strive to attain the highest standards in financial and reporting practices.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "K. Lafleur".

Kerry A. Lafleur
Town Manager

Organization Chart

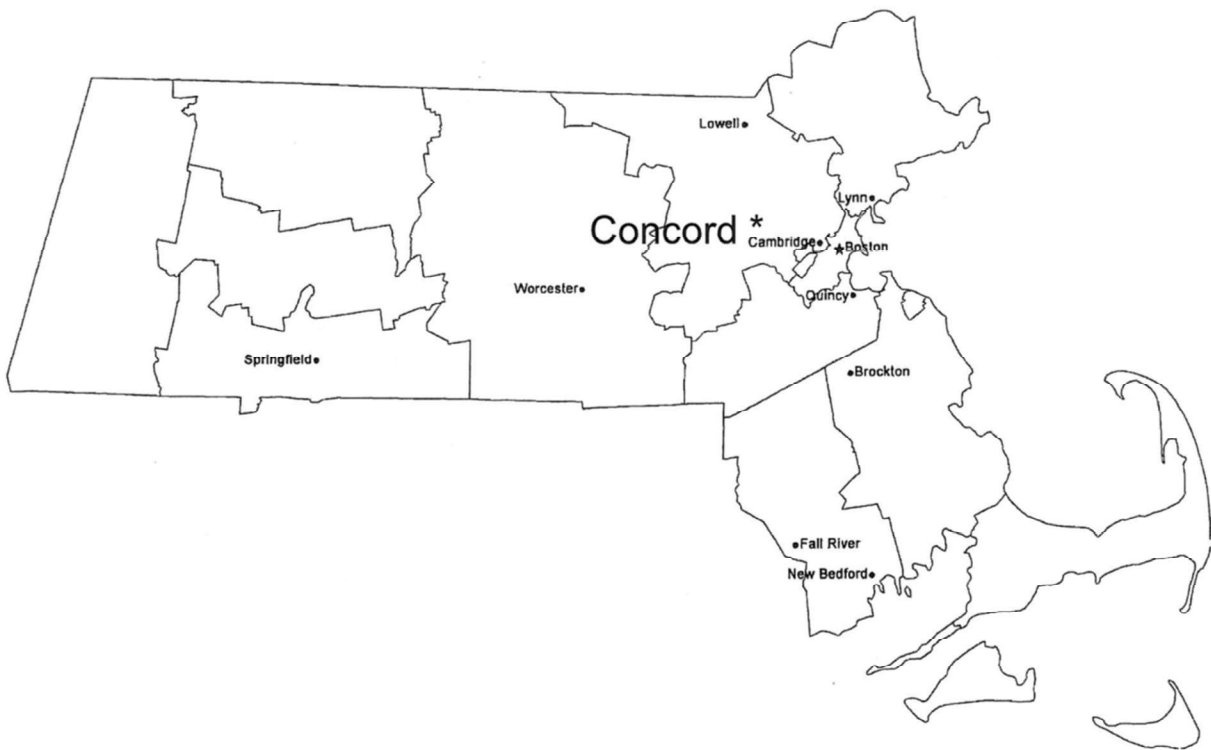


Principal Town Officials

Office	Name	Term and Manner of Selection	Term Expires
Select Board	Henry Dane	Elected for staggered 3- year terms	2024
	Linda Escobedo		2024
	Terri Ackerman		2025
	Mary Hartman		2025
	Mark Howell		2026
Town Manager and Manager of Municipal Light Plant	Kerry Lafleur	Appointed by Select Board for 3-year term	2025
Clerk	Kaari Tari	Appointed annually by Town Manager with approval of Select Board	2023
Chief Financial Officer, Treasurer and Collector	Gail Dowd	Appointed annually by Town Manager with approval of Select Board	2023
Accountant	Mary Barrett	Appointed by Select Board	2023

Town of Concord, Massachusetts

Geographic Location





Government Finance Officers Association

Certificate of
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**Town of Concord
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Select Board
Town of Concord, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Concord, Massachusetts (the Town), as of and for the year ended June 30, 2023, (except for the Concord Contributory Retirement System and Concord Municipal Light Plant, which are as of and for the year ended December 31, 2022) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Concord, Massachusetts, as of June 30, 2023, (except for the Concord Contributory Retirement System and Concord Municipal Light Plant, which are as of December 31, 2022) and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Concord Contributory Retirement System and Concord Municipal Light Plant were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison for the General Fund, and certain pension and OPEB schedules, 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 evidence sufficient to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules appearing on pages 105 through 114 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory and statistical sections but does not include the financial statements and our auditors' 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Marcum LLP

Andover, MA
May 29, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Concord, Massachusetts (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. This section should be read in conjunction with the Letter of Transmittal.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions 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 include general government, public safety, education, public works, health and human services, culture and recreation, and interest on long-term debt. The business-type activities include water, sewer, electric, and swim & fitness services.

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. Fund accounting is used to ensure and

demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental 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 the Town'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 Town's near-term financing decisions. Reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

The Town maintains twenty-three 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, Capital Projects Fund, and Federal Grants Fund which are considered to be major funds. Data from the other twenty governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for water, sewer, and electric, which are considered to be major funds, and swim & fitness which is a nonmajor fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs.

Notes to 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.

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America, and other supplementary information.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$172,024,568, a change of \$10,353,690, and net position in business-type activities was \$118,214,779 a change of \$5,281,591.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$127,359,226, a change of \$53,565,438 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,985,407, a change of \$2,427,487 in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide statement of net position financial data for the current and prior fiscal year.

	NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 144,454,303	\$ 91,628,737	\$ 60,005,958	\$ 50,496,060	\$ 204,460,261	\$ 142,124,797
Capital assets	<u>179,015,710</u>	<u>174,437,720</u>	<u>90,699,563</u>	<u>90,657,755</u>	<u>269,715,273</u>	<u>265,095,475</u>
Total assets	323,470,013	266,066,457	150,705,521	141,153,815	474,175,534	407,220,272
Deferred outflows of resources	20,689,461	9,592,977	4,102,550	3,195,273	24,792,011	12,788,250
Long-term liabilities	143,116,724	71,526,681	19,146,517	16,971,308	162,263,241	88,497,989
Other liabilities	<u>13,550,286</u>	<u>11,850,344</u>	<u>11,692,752</u>	<u>9,574,874</u>	<u>25,243,038</u>	<u>21,425,218</u>
Total liabilities	156,667,010	83,377,025	30,839,269	26,546,182	187,506,279	109,923,207
Deferred inflows of resources	15,467,896	30,611,531	5,754,023	4,869,718	21,221,919	35,481,249
Net investment in capital assets	148,219,404	145,871,131	80,238,493	77,420,193	228,457,897	223,291,324
Restricted	35,656,313	32,462,001	13,249,068	11,675,435	48,905,381	44,137,436
Unrestricted	<u>(11,851,149)</u>	<u>(16,662,254)</u>	<u>24,727,218</u>	<u>23,837,560</u>	<u>12,876,069</u>	<u>7,175,306</u>
Total net position	\$ <u>172,024,568</u>	\$ <u>161,670,878</u>	\$ <u>118,214,779</u>	\$ <u>112,933,188</u>	\$ <u>290,239,347</u>	\$ <u>274,604,066</u>

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. At the close of the most recent fiscal year, total net position was \$290,239,347, a change of \$15,635,281 in comparison to the prior year.

The largest portion of net position, \$228,457,897 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in 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 net position, \$48,905,381, represents resources that are subject to external restrictions on how they may be used. Components include:

- Restricted grants and other statutory restrictions, \$40,054,395.
- Nonexpendable and expendable permanent funds \$8,850,986.

The remaining balance of unrestricted net position results in a surplus of \$12,876,069 primarily resulting from surpluses in enterprise funds softened by a deficit in governmental funds due to unfunded pension and OPEB liabilities.

The following is a summary of condensed government-wide statement of changes in net position financial data for the current and prior fiscal year:

	CHANGE IN NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 9,550,210	\$ 9,367,952	\$ 48,324,738	\$ 43,841,490	\$ 57,874,948	\$ 53,209,442
Operating grants and contributions	19,425,411	17,118,682	-	-	19,425,411	17,118,682
Capital grants and contributions	489,975	615,169	255,159	212,538	745,134	827,707
General revenues:						
Property taxes	106,683,474	101,753,975	-	-	106,683,474	101,753,975
Excises	5,021,560	4,406,391	-	-	5,021,560	4,406,391
Penalties, interest, and other taxes	303,614	213,855	-	-	303,614	213,855
Grants and contributions not restricted to specific programs	2,233,912	2,105,207	-	-	2,233,912	2,105,207
Investment income (loss)	4,252,372	(656,333)	940,464	478,468	5,192,836	(177,865)
Miscellaneous	390,376	253,917	359,831	379,116	750,207	633,033
Total Revenues	148,350,904	135,178,815	49,880,192	44,911,612	198,231,096	180,090,427
Expenses						
General government	13,649,724	13,506,991	-	-	13,649,724	13,506,991
Public safety	16,633,010	13,867,301	-	-	16,633,010	13,867,301
Education	89,376,096	84,546,199	-	-	89,376,096	84,546,199
Public works	9,989,296	8,542,958	-	-	9,989,296	8,542,958
Health and human services	1,228,319	1,130,641	-	-	1,228,319	1,130,641
Culture and recreation	6,174,226	4,478,318	-	-	6,174,226	4,478,318
Interest on long-term debt	1,292,629	797,493	-	-	1,292,629	797,493
Water services	-	-	4,868,211	4,691,517	4,868,211	4,691,517
Sewer services	-	-	2,690,313	2,765,779	2,690,313	2,765,779
Electric services	-	-	34,800,086	31,170,275	34,800,086	31,170,275
Swim & fitness services	-	-	2,041,905	1,848,715	2,041,905	1,848,715
Total Expenses	138,343,300	126,869,901	44,400,515	40,476,286	182,743,815	167,346,187
Change in net position before transfers	10,007,604	8,308,914	5,479,677	4,435,326	15,487,281	12,744,240
Transfers in (out)	346,086	351,706	(198,086)	(351,706)	148,000	-
Change in net position	10,353,690	8,660,620	5,281,591	4,083,620	15,635,281	12,744,240
Net position - beginning of year	161,670,878	153,010,258	112,933,188	108,849,568	274,604,066	261,859,826
Net position - end of year	\$ 172,024,568	\$ 161,670,878	\$ 118,214,779	\$ 112,933,188	\$ 290,239,347	\$ 274,604,066

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$10,353,690 which is largely attributable to General Fund and Community Preservation Fund results, and permanent fund investment income.

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$5,281,591. This change can be attributed to an increase in utility rates as well as usage.

Financial Analysis of the Town’s Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,985,407, while total fund balance was \$38,012,680. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures:

<u>Fund Balance Components</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>Change</u>
Restricted fund balance	\$ 10,635,678	\$ 10,938,339	\$ (302,661)
Committed fund balance	11,806,934	9,458,137	2,348,797
Assigned fund balance	2,584,661	3,968,392	(1,383,731)
Unassigned fund balance	<u>12,985,407</u>	<u>10,557,920</u>	<u>2,427,487</u>
Total fund balance	<u>\$ 38,012,680</u>	<u>\$ 34,922,788</u>	<u>\$ 3,089,892</u>
Unassigned fund balance as a percentage of total General Fund expenditures ¹	10.82%	8.99%	1.83%
Total fund balance as a percentage of total General Fund expenditures ¹	31.69%	29.75%	1.94%

¹ Expenditure amounts used to calculate the above percentages have been adjusted to exclude on-behalf payments from the Commonwealth to the Massachusetts Teachers Retirement System of \$6,679,078.

Unassigned fund balance in the General Fund changed by \$2,427,487 driven primarily from positive budgetary results of \$4,986,361 less \$1,150,000 of overlay surplus and \$1,000,000 of free cash used for fiscal year 2023 and 2024, respectively.

The total fund balance of the General Fund changed by \$3,089,892 during the current fiscal year primarily from strong budgetary results.

Capital Projects Fund (Major Governmental Fund)

The fund balance of the Capital Projects Fund changed by \$46,274,225 primarily due to timing differences between the receipt and disbursement of grant funds and permanent financing of capital projects.

Federal Grants Fund (Major Governmental Fund)

The fund balance of the Federal Grants Fund changed by \$679,522 primarily due to timing differences between the receipt and disbursement of grant funds.

Nonmajor Governmental Funds

The fund balance of nonmajor governmental funds changed by \$3,521,799 primarily from timing differences between the receipt and disbursement of grants and permanent fund investment income.

Proprietary funds

Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$24,727,218 and total net position of the enterprise funds at the end of the year amounted to \$118,214,779, a change of \$5,281,591 in comparison to the prior year. Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final budget reflect an increase in appropriations of \$5,320,980 primarily due to the use of prior year carryforwards. Significant budgetary variances between the final amended budget and actual results are as follows:

- Overall revenues exceeded expectations by \$3,308,175, or 2.79%.
- Overall expenditures (including encumbrances) were favorable by \$1,678,186, or 1.31%.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$269,715,273 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, equipment and furnishings, construction in progress, infrastructure, and intangible assets.

Major capital asset events during the current fiscal year included the following:

Governmental activities

- \$ 1,500,000 Assabet river bluffs land acquisition
- \$ 7,665,870 School building improvements
- \$ 2,143,154 Road and parking lot reconstruction

Business-type activities

- \$ 1,788,976 Water related infrastructure
- \$ 714,401 Sewer related infrastructure
- \$ 798,760 Electric related infrastructure

Additional information on capital assets can be found in Note 15 in the Notes to Financial Statements.

Long-Term Debt

As of June 30, 2023, total bonded debt outstanding, inclusive of premiums was \$112,506,056 all of which was backed by the full faith and credit of the Town.

Additional information on long-term debt can be found in Note 22 in the Notes to Financial Statements.

Credit Rating

During the fiscal year, the Town's Aaa credit rating remained unchanged by Moody's.

Economic Factors and Next Year's Budgets and Rates

The May 2023 Annual Town Meeting adopted a fiscal year 2024 General Fund budget of \$132,141,017, a \$6,922,238 increase or 5.50% over the prior year. This increase includes the following:

- An increase of \$2,707,489 (or 8.70%) in the operating budget of the Town;
- An increase of \$2,010,431 (or 4.70%) in the operating budget of the Concord Public Schools (K-8);
- An increase of \$519,855 (or 2.40%) for Concord's assessed share of the Concord – Carlisle Regional School District budget;
- An increase of \$133,151 (or 8.80%) for Concord's assessed share of the Minuteman Regional Technical School District budget;

- An increase of \$1,551,312 (or 19.00%) in the Town’s miscellaneous accounts (e.g., group insurance, retirement, debt, etc.).

It is anticipated that 84% of the resources to fund the General Fund budget will be generated by property taxes. Additional funding includes state aid (5.00%), local receipts (6.00%), and other available funds (5.00%).

The property tax levy for fiscal year 2024 (\$112,788,698) represents a 7.60% increase over the prior year. This rise reflects an increase of 1.30% in the property tax rate from \$12.96 per thousand to \$13.13 per thousand and an increase of 13.90% in taxable assessed value from \$8.085 billion to \$9.212 billion. The assessment date for valuing the Town’s fiscal year 2024 real estate and personal property is January 1, 2023. The table below presents a comparison between fiscal year 2023 and fiscal year 2024.

	<u>FY23</u>	<u>FY24</u>	<u>% Change</u>
Taxable Assessed Value	\$8,085,523,349	\$9,212,781,383	13.90%
Tax Rate (per \$1,000)	\$12.96	\$13.13	1.30%
Property Tax Levy	\$104,788,382	\$112,788,698	7.60%

Increases in the property tax levy for municipalities in Massachusetts are governed by statutory regulations referred to as Proposition 2 ½. The total property tax levy is constrained by a ceiling which cannot be more than 2 ½ percent of the previous year’s levy limit plus any new growth resulting from property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year’s valuation, The Town has made an effort to remain well under this ceiling or levy limit. Excess levy capacity, the difference between the property tax levy and the levy limit, totaled \$6,575,521 in fiscal year 2024.

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy the amount required to pay debt service on any specific bonds and note issued pursuant to a majority vote of the voters. The fiscal year 2024 tax levy includes \$10,290,484 levied for such authorized purpose.

Requests for Information

This financial report is designed to provide a general overview of the Town of Concord's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Chief Financial Officer
Town of Concord, Massachusetts
22 Monument Square
Concord, Massachusetts 01742

TOWN OF CONCORD, MASSACHUSETTS

Statement of Net Position

June 30, 2023

(Except for the Electric Enterprise Fund, which is as of December 31, 2022)

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and short-term investments	\$ 106,988,881	\$ 32,258,886	\$ 139,247,767
Investments	31,397,567	-	31,397,567
Receivables, net of allowance for uncollectibles:			
Property taxes	942,673	-	942,673
Excises	240,075	-	240,075
User fees	-	7,655,443	7,655,443
Betterments	-	32,000	32,000
Departmental and other	435,817	-	435,817
Intergovernmental	1,476,307	-	1,476,307
Leases	242,171	76,556	318,727
Inventory	-	1,484,908	1,484,908
Prepaid expenses	-	3,145,826	3,145,826
Other current assets	<u>72,276</u>	<u>62,853</u>	<u>135,129</u>
Total Current Assets	141,795,767	44,716,472	186,512,239
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	860,239	-	860,239
Betterments	-	127,481	127,481
Restricted cash	-	13,547,577	13,547,577
Leases	1,798,297	273,569	2,071,866
Net pension asset	-	558,803	558,803
Investment in associated companies	-	782,056	782,056
Capital assets:			
Depreciable, net of accumulated depreciation	109,328,899	80,926,913	190,255,812
Nondepreciable	<u>69,686,811</u>	<u>9,772,650</u>	<u>79,459,461</u>
Total Noncurrent Assets	<u>181,674,246</u>	<u>105,989,049</u>	<u>287,663,295</u>
Total Assets	323,470,013	150,705,521	474,175,534
Deferred Outflows of Resources			
Related to pension	16,798,948	2,862,946	19,661,894
Related to OPEB	3,722,702	1,239,604	4,962,306
Related to refunding	<u>167,811</u>	<u>-</u>	<u>167,811</u>
Total Deferred Outflows of Resources	20,689,461	4,102,550	24,792,011

(continued)

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

TOWN OF CONCORD, MASSACHUSETTS

Statement of Net Position

June 30, 2023

(Except for the Electric Enterprise Fund, which is as of December 31, 2022)

(continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Liabilities			
Current:			
Warrants and accounts payable	2,595,980	6,326,589	8,922,569
Accrued liabilities	5,772,566	488,155	6,260,721
Escrow deposits	58,080	-	58,080
Unearned revenue	4,660,836	3,950,884	8,611,720
Customer deposits	-	668,237	668,237
Customer advances for construction	-	255,922	255,922
Notes payable	416,000	-	416,000
Other current liabilities	46,824	2,965	49,789
Current portion of long-term liabilities:			
Bonds and loans payable	9,000,365	2,566,418	11,566,783
Compensated absences	348,384	22,716	371,100
Estimated landfill closure and postclosure care costs	10,000	-	10,000
Total Current Liabilities	<u>22,909,035</u>	<u>14,281,886</u>	<u>37,190,921</u>
Noncurrent:			
Bonds and loans payable, net of current portion	88,135,686	12,803,587	100,939,273
Compensated absences, net of current portion	3,135,459	297,417	3,432,876
Estimated landfill closure and postclosure care costs, net of current portion	80,000	-	80,000
Net pension liability	22,897,169	1,104,080	24,001,249
Net OPEB liability	19,509,661	2,352,299	21,861,960
Total Noncurrent Liabilities	<u>133,757,975</u>	<u>16,557,383</u>	<u>150,315,358</u>
Total Liabilities	<u>156,667,010</u>	<u>30,839,269</u>	<u>187,506,279</u>
Deferred Inflows of Resources			
Related to pension	4,140,596	3,443,785	7,584,381
Related to OPEB	9,335,785	1,960,113	11,295,898
Related to leases	1,991,515	350,125	2,341,640
Total Deferred Inflows of Resources	<u>15,467,896</u>	<u>5,754,023</u>	<u>21,221,919</u>
Net Position			
Net investment in capital assets	148,219,404	80,238,493	228,457,897
Restricted for:			
Grants and other statutory restrictions	26,805,327	13,249,068	40,054,395
Permanent funds:			
Nonexpendable	4,682,972	-	4,682,972
Expendable	4,168,014	-	4,168,014
Unrestricted	(11,851,149)	24,727,218	12,876,069
Total Net Position	<u>\$ 172,024,568</u>	<u>\$ 118,214,779</u>	<u>\$ 290,239,347</u>

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

TOWN OF CONCORD, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2023
(Except for the Electric Enterprise Fund, which is for the year ended December 31, 2022)

	Program Revenues				
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues</u>	
Governmental Activities					
General government	\$ 13,649,724	\$ 1,502,635	\$ 2,851,169	\$ -	\$ (9,295,920)
Public safety	16,633,010	3,119,180	244,458	-	(13,269,372)
Education	89,376,096	424,646	14,903,684	-	(74,047,766)
Public works	9,989,296	1,786,048	568,773	489,975	(7,144,500)
Health and human services	1,228,319	226,041	818,086	-	(184,192)
Culture and recreation	6,174,226	2,491,660	39,241	-	(3,643,325)
Interest on long term debt	<u>1,292,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,292,629)</u>
Total Governmental Activities	138,343,300	9,550,210	19,425,411	489,975	(108,877,704)
Business-Type Activities					
Water services	4,868,211	7,197,398	-	-	2,329,187
Sewer services	2,690,313	2,759,602	-	255,159	324,448
Electric services	34,800,086	36,026,204	-	-	1,226,118
Swim & fitness services	<u>2,041,905</u>	<u>2,341,534</u>	<u>-</u>	<u>-</u>	<u>299,629</u>
Total Business-Type Activities	<u>44,400,515</u>	<u>48,324,738</u>	<u>-</u>	<u>255,159</u>	<u>4,179,382</u>
Total	<u>\$ 182,743,815</u>	<u>\$ 57,874,948</u>	<u>\$ 19,425,411</u>	<u>\$ 745,134</u>	(104,698,322)

(continued)

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

TOWN OF CONCORD, MASSACHUSETTS

Statement of Activities
 For the Year Ended June 30, 2023
 (Except for the Electric Enterprise Fund, which is for the year ended December 31, 2022)

(continued)	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>
Changes in Net Position			
Net (Expenses) Revenues from previous page	(108,877,704)	4,179,382	(104,698,322)
General Revenues			
Property taxes	106,683,474	-	106,683,474
Excises	5,021,560	-	5,021,560
Penalties, interest, and other taxes	303,614	-	303,614
Grants and contributions not restricted to specific programs	2,233,912	-	2,233,912
Investment income	4,252,372	940,464	5,192,836
Miscellaneous	390,376	359,831	750,207
Transfers, net	<u>346,086</u>	<u>(198,086)</u>	<u>148,000</u>
Total General Revenues and Transfers	<u>119,231,394</u>	<u>1,102,209</u>	<u>120,333,603</u>
Change in Net Position	10,353,690	5,281,591	15,635,281
Net Position			
Beginning of year	<u>161,670,878</u>	<u>112,933,188</u>	<u>274,604,066</u>
End of year	<u>\$ 172,024,568</u>	<u>\$ 118,214,779</u>	<u>\$ 290,239,347</u>

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

TOWN OF CONCORD, MASSACHUSETTS

Governmental Funds
Balance Sheet
June 30, 2023

	General <u>Fund</u>	Capital Projects <u>Fund</u>	Federal Grants <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets					
Cash and short-term investments	\$ 20,412,175	\$ 66,894,630	\$ 3,508,942	\$ 16,173,134	\$ 106,988,881
Investments	22,546,581	-	-	8,850,986	31,397,567
Receivables:					
Property taxes	1,787,002	-	-	15,910	1,802,912
Excises	240,075	-	-	-	240,075
Departmental	-	-	-	435,817	435,817
Intergovernmental	11,662	-	549,213	915,432	1,476,307
Leases	2,040,468	-	-	-	2,040,468
Due from other funds	382,485	-	-	-	382,485
Other assets	72,276	-	-	-	72,276
Total Assets	\$ 47,492,724	\$ 66,894,630	\$ 4,058,155	\$ 26,391,279	\$ 144,836,788
Liabilities					
Warrants and accounts payable	\$ 613,525	\$ 1,451,851	\$ 23,639	\$ 506,965	\$ 2,595,980
Accrued liabilities	4,954,392	-	39,691	118,484	5,112,567
Escrow deposits	58,080	-	-	-	58,080
Unearned revenue	-	-	4,312,725	348,111	4,660,836
Due to other funds	-	-	-	382,485	382,485
Notes payable	-	176,000	-	240,000	416,000
Other liabilities	46,824	-	-	-	46,824
Total Liabilities	5,672,821	1,627,851	4,376,055	1,596,045	13,272,772
Deferred Inflows of Resources					
Unavailable revenues	1,815,708	-	-	397,567	2,213,275
Related to leases	1,991,515	-	-	-	1,991,515
Total Deferred Inflows of Resources	3,807,223	-	-	397,567	4,204,790
Fund Balances					
Nonspendable	-	-	-	4,682,972	4,682,972
Restricted	10,635,678	65,442,779	502,097	19,835,566	96,416,120
Committed	11,806,934	-	-	41,031	11,847,965
Assigned	2,584,661	-	-	-	2,584,661
Unassigned	12,985,407	(176,000)	(819,997)	(161,902)	11,827,508
Total Fund Balances	38,012,680	65,266,779	(317,900)	24,397,667	127,359,226
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 47,492,724	\$ 66,894,630	\$ 4,058,155	\$ 26,391,279	\$ 144,836,788

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

TOWN OF CONCORD, MASSACHUSETTS

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
in the Statement of Net Position
June 30, 2023

Total Governmental Fund Balances	\$ 127,359,226
<ul style="list-style-type: none"> ● Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. 	179,015,710
<ul style="list-style-type: none"> ● Revenues are reported on the accrual basis of accounting and are not deferred until collection. 	2,213,275
<ul style="list-style-type: none"> ● Deferred outflows of resources to be recognized as an increase to pension, OPEB, and debt expense in future periods: <ul style="list-style-type: none"> Related to pension Related to OPEB Related to loss on refunding bonds 	16,798,948 3,722,702 167,811
<ul style="list-style-type: none"> ● Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds: <ul style="list-style-type: none"> Bonds and loans payable Compensated absences Landfill closure and postclosure care costs Net pension liability Net OPEB liability 	(97,136,051) (3,483,843) (90,000) (22,897,169) (19,509,661)
<ul style="list-style-type: none"> ● In the Statement of Activities interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 	(659,999)
<ul style="list-style-type: none"> ● Deferred inflows of resources to be recognized as a decrease to pension and OPEB expense in future periods: <ul style="list-style-type: none"> Related to pension Related to OPEB 	(4,140,596) <u>(9,335,785)</u>
Net Position of Governmental Activities	\$ <u>172,024,568</u>

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

TOWN OF CONCORD, MASSACHUSETTS

Governmental Funds
Statement of Revenues, Expenditures, and Changes In Fund Balances
For the Year Ended June 30, 2023

	General <u>Fund</u>	Capital Projects <u>Fund</u>	Federal Grants <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues					
Property taxes	\$ 104,762,690	\$ -	\$ -	\$ 1,442,062	\$ 106,204,752
Excises	4,954,992	-	-	-	4,954,992
Penalties, interest, and other taxes	310,359	-	-	-	310,359
Departmental	1,632,570	-	-	5,978,416	7,610,986
Licenses and permits	1,860,359	-	-	-	1,860,359
Fines and forfeitures	54,135	-	-	-	54,135
Intergovernmental	12,950,238	-	2,706,391	4,834,229	20,490,858
Investment income	3,206,596	-	-	1,045,776	4,252,372
Contributions	-	-	-	1,579,267	1,579,267
Miscellaneous	167,175	-	-	230,401	397,576
	<u>129,899,114</u>	<u>-</u>	<u>2,706,391</u>	<u>15,110,151</u>	<u>147,715,656</u>
Total Revenues	129,899,114	-	2,706,391	15,110,151	147,715,656
Expenditures					
Current:					
General government	8,425,055	7,432,795	714,567	2,935,998	19,508,415
Public safety	11,773,031	22,223	100,741	642,836	12,538,831
Education	75,886,802	493,464	1,204,845	2,775,609	80,360,720
Public works	3,603,813	1,567,961	-	3,446,207	8,617,981
Snow and ice	652,372	-	-	-	652,372
Health and human services	845,766	1,530	-	120,325	967,621
Culture and recreation	2,775,534	73,802	6,716	2,367,511	5,223,563
Employee benefits	14,216,730	-	-	-	14,216,730
Debt service:					
Principal	6,373,000	-	-	115,376	6,488,376
Interest	1,573,243	-	-	-	1,573,243
Intergovernmental	514,452	-	-	-	514,452
	<u>126,639,798</u>	<u>9,591,775</u>	<u>2,026,869</u>	<u>12,403,862</u>	<u>150,662,304</u>
Total Expenditures	126,639,798	9,591,775	2,026,869	12,403,862	150,662,304
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,259,316	(9,591,775)	679,522	2,706,289	(2,946,648)
Other Financing Sources (Uses)					
Issuance of bonds	-	54,600,000	-	300,000	54,900,000
Premium on issuance of bonds	-	1,266,000	-	-	1,266,000
Transfers in	448,500	-	-	520,010	968,510
Transfers out	(617,924)	-	-	(4,500)	(622,424)
	<u>(169,424)</u>	<u>55,866,000</u>	<u>-</u>	<u>815,510</u>	<u>56,512,086</u>
Total Other Financing Sources (Uses)	(169,424)	55,866,000	-	815,510	56,512,086
Change in Fund Balances	3,089,892	46,274,225	679,522	3,521,799	53,565,438
Fund Balances, at Beginning of Year, as reclassified	34,922,788	18,992,554	(997,422)	20,875,868	73,793,788
	<u>34,922,788</u>	<u>18,992,554</u>	<u>(997,422)</u>	<u>20,875,868</u>	<u>73,793,788</u>
Fund Balances, at End of Year	\$ 38,012,680	\$ 65,266,779	\$ (317,900)	\$ 24,397,667	\$ 127,359,226

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

TOWN OF CONCORD, MASSACHUSETTS

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net Changes in Fund Balances - Total Governmental Funds	\$ 53,565,438																												
<ul style="list-style-type: none"> ● Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Capital outlay</td> <td style="text-align: right;">12,614,010</td> </tr> <tr> <td>Net effect from disposal of assets</td> <td style="text-align: right;">(8,724)</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(8,027,296)</td> </tr> </table> ● Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, excises, etc.) differ between the two statements. This amount represents the net change in unavailable revenue. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;"></td> <td style="text-align: right;">556,075</td> </tr> </table> ● The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Issuance of general obligation bonds and loans</td> <td style="text-align: right;">(54,900,000)</td> </tr> <tr> <td>Premiums received on issuance of general obligation bonds</td> <td style="text-align: right;">(1,266,000)</td> </tr> <tr> <td>Repayments of general obligation bonds and loans</td> <td style="text-align: right;">6,632,917</td> </tr> </table> ● In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. This amount reflects the change in accrued interest. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;"></td> <td style="text-align: right;">(368,393)</td> </tr> </table> ● Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Amortization loss on refunding bonds</td> <td style="text-align: right;">(27,969)</td> </tr> <tr> <td>Amortization bond premiums</td> <td style="text-align: right;">676,976</td> </tr> <tr> <td>Change in net pension liability, net of related deferrals</td> <td style="text-align: right;">(565,215)</td> </tr> <tr> <td>Change in net OPEB liability, net of related deferrals</td> <td style="text-align: right;">2,306,299</td> </tr> <tr> <td>Change in compensated absences</td> <td style="text-align: right;">(844,428)</td> </tr> <tr> <td>Change in landfill liability</td> <td style="text-align: right;"><u>10,000</u></td> </tr> </table> 		Capital outlay	12,614,010	Net effect from disposal of assets	(8,724)	Depreciation	(8,027,296)		556,075	Issuance of general obligation bonds and loans	(54,900,000)	Premiums received on issuance of general obligation bonds	(1,266,000)	Repayments of general obligation bonds and loans	6,632,917		(368,393)	Amortization loss on refunding bonds	(27,969)	Amortization bond premiums	676,976	Change in net pension liability, net of related deferrals	(565,215)	Change in net OPEB liability, net of related deferrals	2,306,299	Change in compensated absences	(844,428)	Change in landfill liability	<u>10,000</u>
Capital outlay	12,614,010																												
Net effect from disposal of assets	(8,724)																												
Depreciation	(8,027,296)																												
	556,075																												
Issuance of general obligation bonds and loans	(54,900,000)																												
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Change in net pension liability, net of related deferrals	(565,215)																												
Change in net OPEB liability, net of related deferrals	2,306,299																												
Change in compensated absences	(844,428)																												
Change in landfill liability	<u>10,000</u>																												
Change in Net Position of Governmental Activities	\$ <u><u>10,353,690</u></u>																												

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

TOWN OF CONCORD, MASSACHUSETTS

Proprietary Funds
Statement of Net Position
June 30, 2023

(Except for the Electric Enterprise Fund, which is as of December 31, 2022)

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Nonmajor Fund	Total Enterprise Funds
Assets					
Current:					
Cash and short-term investments	\$ 16,583,445	\$ 8,977,481	\$ 1,909,428	\$ 4,788,532	\$ 32,258,886
User fees receivable, net of allowance for uncollectibles	1,584,842	524,159	5,546,442	-	7,655,443
Betterments receivable	-	32,000	-	-	32,000
Inventory	193,313	-	1,291,595	-	1,484,908
Prepaid expenses	-	-	3,145,826	-	3,145,826
Leases receivable	-	-	76,556	-	76,556
Other assets	-	-	62,853	-	62,853
Total Current Assets	18,361,600	9,533,640	12,032,700	4,788,532	44,716,472
Noncurrent:					
Restricted cash	-	-	13,547,577	-	13,547,577
Betterments receivable, net of current portion	-	127,481	-	-	127,481
Leases receivable, net of current portion	-	-	273,569	-	273,569
Net pension asset	-	-	558,803	-	558,803
Investment in associated companies	-	-	782,056	-	782,056
Capital assets:					
Depreciable, net of accumulated depreciation	23,120,461	15,726,996	35,422,875	6,656,581	80,926,913
Nondepreciable	6,285,370	850,000	2,637,280	-	9,772,650
Total Noncurrent Assets	29,405,831	16,704,477	53,222,160	6,656,581	105,989,049
Total Assets	47,767,431	26,238,117	65,254,860	11,445,113	150,705,521
Deferred Outflows of Resources					
Related to pension	506,011	126,503	1,998,142	232,290	2,862,946
Related to OPEB	219,309	49,702	935,517	35,076	1,239,604
Total Deferred Outflow of Resources	725,320	176,205	2,933,659	267,366	4,102,550
Liabilities					
Current:					
Warrants and accounts payable	120,468	136,377	5,985,054	84,690	6,326,589
Accrued liabilities	130,873	46,977	282,260	28,045	488,155
Unearned revenue	-	-	3,909,856	41,028	3,950,884
Customer deposits	83,202	-	585,035	-	668,237
Customer advances for construction	-	-	255,922	-	255,922
Other current liabilities	-	-	-	2,965	2,965
Current portion of long-term liabilities:					
Bonds and loans payable	1,033,742	912,635	620,041	-	2,566,418
Compensated absences	9,269	2,317	9,298	1,832	22,716
Total Current Liabilities	1,377,554	1,098,306	11,647,466	158,560	14,281,886
Noncurrent:					
Bonds and loans payable, net of current portion	8,116,622	2,420,464	2,266,501	-	12,803,587
Compensated absences, net of current portion	83,419	20,855	176,655	16,488	297,417
Net pension liability	642,179	160,545	-	301,356	1,104,080
Net OPEB liability	187,653	16,680	2,129,201	18,765	2,352,299
Total Noncurrent Liabilities	9,029,873	2,618,544	4,572,357	336,609	16,557,383
Total Liabilities	10,407,427	3,716,850	16,219,823	495,169	30,839,269
Deferred Inflows of Resources					
Related to pension	165,222	41,306	3,158,423	78,834	3,443,785
Related to OPEB	412,211	122,266	1,149,929	275,707	1,960,113
Related to leases	-	-	350,125	-	350,125
Total Deferred Inflows of Resources	577,433	163,572	4,658,477	354,541	5,754,023
Net Position					
Net investment in capital assets	25,030,565	13,377,736	35,173,611	6,656,581	80,238,493
Restricted for:					
Debt service	-	452,603	-	-	452,603
Capital improvements	-	4,748,792	7,488,870	-	12,237,662
Pension	-	-	558,803	-	558,803
Unrestricted	12,477,326	3,954,769	4,088,935	4,206,188	24,727,218
Total Net Position	\$ 37,507,891	\$ 22,533,900	\$ 47,310,219	\$ 10,862,769	\$ 118,214,779

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

TOWN OF CONCORD, MASSACHUSETTS

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

(Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2022)

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Nonmajor Fund	Total Enterprise Funds
Operating Revenues					
Charges for services	\$ 7,197,398	\$ 2,759,602	\$ 36,026,204	\$ 2,341,534	\$ 48,324,738
Total Operating Revenues	7,197,398	2,759,602	36,026,204	2,341,534	48,324,738
Operating Expenses					
Salaries and benefits	1,509,368	499,161	3,529,593	838,151	6,376,273
Other operating expenses	2,038,756	1,188,383	1,445,866	856,770	5,529,775
Depreciation	1,173,938	929,026	2,051,394	346,984	4,501,342
Electric operations	-	-	27,600,068	-	27,600,068
Total Operating Expenses	4,722,062	2,616,570	34,626,921	2,041,905	44,007,458
Operating Income	2,475,336	143,032	1,399,283	299,629	4,317,280
Nonoperating Revenues (Expenses)					
Investment income	365,283	264,640	187,469	123,072	940,464
Interest expense	(146,149)	(73,743)	(113,965)	-	(333,857)
Loss on disposal of capital assets	-	-	(59,200)	-	(59,200)
Miscellaneous income	-	-	359,831	-	359,831
Total Nonoperating Revenues (Expenses), Net	219,134	190,897	374,135	123,072	907,238
Income Before Transfers and Capital Contributions	2,694,470	333,929	1,773,418	422,701	5,224,518
Capital contributions	-	255,159	-	-	255,159
Transfers in	-	97,914	-	-	97,914
Transfers out	-	-	(296,000)	-	(296,000)
Change in Net Position	2,694,470	687,002	1,477,418	422,701	5,281,591
Net Position at Beginning of Year	34,813,421	21,846,898	45,832,801	10,440,068	112,933,188
Net Position at End of Year	\$ 37,507,891	\$ 22,533,900	\$ 47,310,219	\$ 10,862,769	\$ 118,214,779

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

TOWN OF CONCORD, MASSACHUSETTS

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

(Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2022)

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Nonmajor Fund	Total Enterprise Funds
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 7,024,995	\$ 2,726,225	\$ 36,273,706	\$ 2,312,226	\$ 48,337,152
Payments to employees for salaries and benefits	(1,509,368)	(499,161)	(3,662,117)	(838,151)	(6,508,797)
Payments to suppliers and service providers	<u>(2,149,797)</u>	<u>(1,390,681)</u>	<u>(29,774,258)</u>	<u>(943,948)</u>	<u>(34,258,684)</u>
Net Cash Provided By Operating Activities	3,365,830	836,383	2,837,331	530,127	7,569,671
Cash Flows From Noncapital Financing Activities					
Transfers in	-	97,914	-	-	97,914
Transfers out	<u>-</u>	<u>-</u>	<u>(296,000)</u>	<u>-</u>	<u>(296,000)</u>
Net Cash (Used for) Noncapital Financing Activities	-	97,914	(296,000)	-	(198,086)
Cash Flows From Capital and Related Financing Activities					
Acquisition and construction of capital assets	(2,810,200)	(666,879)	(1,085,000)	(40,272)	(4,602,351)
Capital contributions	-	311,776	-	-	311,776
Proceeds from issuance of bonds and loans	3,650,000	-	-	-	3,650,000
Principal payments on bonds and loans	(572,000)	(900,652)	(570,000)	-	(2,042,652)
Premium from sale of bonds and loans	350,000	-	-	-	350,000
Interest expense	<u>(219,891)</u>	<u>(73,743)</u>	<u>(113,965)</u>	<u>-</u>	<u>(407,599)</u>
Net Cash (Used For) Capital and Related Financing Activities	397,909	(1,329,498)	(1,768,965)	(40,272)	(2,740,826)
Cash Flows From Investing Activities					
Investment income	<u>365,283</u>	<u>264,640</u>	<u>187,469</u>	<u>123,072</u>	<u>940,464</u>
Net Cash Provided By Investing Activities	<u>365,283</u>	<u>264,640</u>	<u>187,469</u>	<u>123,072</u>	<u>940,464</u>
Net Change in Cash and Short-Term Investments	4,129,022	(130,561)	959,835	612,927	5,571,223
Cash and Short-Term Investments, Beginning of Year	<u>12,454,423</u>	<u>9,108,042</u>	<u>14,497,170</u>	<u>4,175,605</u>	<u>40,235,240</u>
Cash and Short-Term Investments, End of Year	<u>\$ 16,583,445</u>	<u>\$ 8,977,481</u>	<u>\$ 15,457,005</u>	<u>\$ 4,788,532</u>	<u>\$ 45,806,463</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income	\$ 2,475,336	\$ 143,032	\$ 1,399,283	\$ 299,629	\$ 4,317,280
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,173,938	929,026	2,051,394	346,984	4,501,342
Changes in assets, liabilities, and deferred outflows/inflows:					
User fees receivable	(172,403)	(33,377)	(1,749,942)	-	(1,955,722)
Inventory	(18,239)	-	(33,285)	-	(51,524)
Prepays and other assets	-	-	(957,324)	-	(957,324)
Deferred outflows of resources:					
Related to pensions	(276,824)	(69,205)	1,978	(148,482)	(492,533)
Related to OPEB	35,759	28,403	(507,780)	28,874	(414,744)
Net pension liability	746,659	186,665	(1,723,052)	348,751	(440,977)
Net OPEB liability	(318,296)	(105,122)	1,048,687	(140,515)	484,754
Accounts payable and accrued liabilities	(113,069)	(200,158)	517,162	3,284	207,219
Customer advances for construction	-	-	183,763	-	183,763
Unearned revenue	-	-	1,763,912	(29,308)	1,734,604
Deferred inflows of resources:					
Related to pensions	(431,862)	(107,966)	1,043,821	(210,663)	293,330
Related to OPEB	264,822	68,346	(129,354)	37,036	240,850
Other liabilities	<u>9</u>	<u>(3,261)</u>	<u>(71,932)</u>	<u>(5,463)</u>	<u>(80,647)</u>
Net Cash Provided By Operating Activities	<u>\$ 3,365,830</u>	<u>\$ 836,383</u>	<u>\$ 2,837,331</u>	<u>\$ 530,127</u>	<u>\$ 7,569,671</u>

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

TOWN OF CONCORD, MASSACHUSETTS

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	Pension and OPEB <u>Trust Fund</u>	Private Purpose <u>Trust Funds</u>	Custodial <u>Fund</u>
Assets			
Cash and short-term investments	\$ 2,823,741	\$ -	\$ 127,753
Investments:			
Collective investment trust funds	32,978,187	-	-
Corporate equities	-	1,817,156	-
Pooled alternative investments	45,786,624	-	-
Pooled investments	105,509,687	-	-
State investment pool (PRIT)	50,901,793	-	-
Receivables	<u>6,238</u>	<u>-</u>	<u>-</u>
Total Assets	238,006,270	1,817,156	127,753
Liabilities			
Warrants and accounts payable	<u>141,096</u>	<u>-</u>	<u>-</u>
Total Liabilities	141,096	-	-
Net Position			
Restricted for pension	204,886,987	-	-
Restricted for OPEB	32,978,187	-	-
Restricted for Individuals, organizations, and other governments	<u>-</u>	<u>1,817,156</u>	<u>127,753</u>
Total Net Position	\$ <u><u>237,865,174</u></u>	\$ <u><u>1,817,156</u></u>	\$ <u><u>127,753</u></u>

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

TOWN OF CONCORD, MASSACHUSETTS

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Pension and OPEB <u>Trust Fund</u>	Private Purpose <u>Trust Funds</u>	Custodial <u>Fund</u>
Additions			
Contributions:			
Employer	\$ 10,581,523	\$ -	\$ -
Plan members	5,418,966	-	-
Other systems and Commonwealth of Massachusetts	652,359	-	-
Other	<u>620</u>	<u>-</u>	<u>-</u>
Total Contributions	16,653,468	-	-
Investment Income (Loss):			
Increase (decrease) in fair value of investments	(22,438,974)	154,971	-
Less: management fees	<u>(1,190,426)</u>	<u>-</u>	<u>-</u>
Net Investment Income (Loss)	<u>(23,629,400)</u>	<u>154,971</u>	<u>-</u>
Taxes and fees collected for other governments	<u>-</u>	<u>-</u>	<u>18,491</u>
Total Additions	(6,975,932)	154,971	18,491
Deductions			
Benefit payments to plan members and beneficiaries	14,913,981	45,477	-
Refunds to plan members	359,536	-	-
Transfers to other systems	1,433,770	-	-
Administrative expenses	422,936	-	-
Payment of taxes and fees to other governments	<u>-</u>	<u>-</u>	<u>11,951</u>
Total Deductions	<u>17,130,223</u>	<u>45,477</u>	<u>11,951</u>
Change in Net Position	(24,106,155)	109,494	6,540
Restricted Net Position			
Beginning of year	<u>261,971,329</u>	<u>1,707,662</u>	<u>121,213</u>
End of year	<u>\$ 237,865,174</u>	<u>\$ 1,817,156</u>	<u>\$ 127,753</u>

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

TOWN OF CONCORD, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Concord, Massachusetts (the Town), conform to generally accepted accounting principles (GAAP) as applicable to governmental units. Please note that the fiscal year end dates differ between the Concord Municipal Light Plant (the Light Plant) and the remainder of the Town as the Light Plant is presented as of December 31, 2022. The following is a summary of the significant policies:

Reporting Entity

The Town is a municipal corporation governed by an elected Select Board. As required by GAAP, these financial statements present the Town and applicable component units for which the Town is considered to be financially accountable. In fiscal year 2023, no entities met the component unit requirements of GASB 14 (as amended). The criteria provided in Governmental Accounting Standards Board Codification section 2100 have been considered and as a result, the component unit discussed below is included in the Town's reporting entity because of its operational significance and financial relationship with the Town.

Fiduciary Component Unit

The Concord Contributory Retirement System (the System) was established to provide retirement benefits primarily to employees and their beneficiaries. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements. Additional financial information of the System can be obtained by contacting the System located at 2250 Main Street, Concord, Massachusetts 01742.

Joint Ventures

The Town has entered into joint ventures with other municipalities to pool resources and share the costs, risks, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specified service recipients. The following is a list of the Town's joint ventures, their purpose, the address where the joint

venture financial statements are available, and the annual assessment paid by the Town in fiscal year 2023:

<u>Joint venture and address</u>	<u>Purpose</u>	2023 <u>Assessment</u>
Concord-Carlisle Regional School District 120 Meriam Road Concord, MA 01742	To provide education services	\$ 24,962,356
Minuteman Regional Vocational Technical School District 758 Marrett Road Lexington, MA 02421	To provide education services	1,508,544

Government-Wide and Fund Financial Statements

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 primary government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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.

Amounts reported as *program revenues* 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 and excises.

Fund Financial Statements

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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenue from grants, entitlements, and donations is recognized when all eligibility requirements have been satisfied and they are measurable and available. All other revenue items are considered to be measurable and available only when cash is received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, compensated absences, claims and judgments, OPEB and pension are recorded only when payment is due.

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.
- The *Capital Projects Fund* accounts for all capital project activity in the Town.
- The *Federal Grants Fund* accounts for all federal grant activity in the Town.

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of an enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

- The *Water Fund* accounts for user charges collected to finance costs associated with water operations and maintenance within the Town.
- The *Sewer Fund* accounts for user charges collected to finance costs associated with sewer operations and maintenance within the Town.
- The *Electric Fund* accounts for the operation of the Concord Municipal Light Plant which purchases electricity then distributes the electricity to consumers within the Town of Concord.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The Town reports the following fiduciary funds:

- The *Pension and OPEB Trust Fund* accounts for the activities of the Concord Contributory Retirement System and OPEB Trust Fund, which includes individuals employed by the Town, Concord-Carlisle Regional School District, and the Concord Housing Authority. This fund accumulates resources for pension benefit payments to qualified employees along with reserves set aside by the Town to fund future OPEB costs.
- The *Private-Purpose Trust Funds* are used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *Custodial Fund* accounts for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include taxes and fees collected on behalf of other governments.

Municipal Light Plant Business Activity

The Light Plant operates under the provisions of Chapter 164 of the Massachusetts General Laws, with a Municipal Light Board appointed by the Town Manager. The Town Manager appoints the Light Plant Director who has full charge of the day-to-day operations and management of the Light Plant, under the general direction of the Town Manager.

Municipal Light Plant Regulation

Under Massachusetts General Laws, the Light Plant's electric rates are set by the Municipal Light Board. Electric rates, excluding the fuel charge, cannot be changed more often than once every three months. Rate schedules are filed with the Massachusetts

Department of Public Utilities (DPU). While the DPU exercises general authority over the Light Plant, the Light Plant's rates are not subject to DPU approval. The Light Plant's policy is to prepare its financial statements in conformity with generally accepted accounting principles.

Municipal Light Plant Concentrations

The Light Plant operates within the electric utility industry which has undergone significant restructuring and deregulation. Legislation enacted by the Commonwealth of Massachusetts in 1998 introduced competition and provided consumers with additional power supply choices while assuring continued reliable service. However, municipal electric utilities are not currently subject to this legislation.

Municipal Light Plant Revenues

Light Plant revenues are based on rates established by the Light Plant and filed with the DPU. Revenues from sales of electricity are recorded on the basis of bills rendered from monthly meter readings taken on a cycle basis. Recognition is given to the amount of sales to customers which are unbilled at the end of the fiscal period.

A key component of Light Plant operating revenues is the Purchased Power & Fuel Cost Adjustment (PP&FCA). This adjustment allows the Light Plant to recover fluctuating power supply and fuel costs from customers by increasing or decreasing their energy charges per kilowatt hour by the amount that actual power supply and fuel costs exceed their standard base rate.

Municipal Light Plant Rate of Return

The Light Plant's rates must be set such that earnings attributable to electric operations do not exceed 8% of the net cost of the plant. In 2022, the Light Plant's earnings did not exceed this threshold.

Cash and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the financial statements under the caption "cash and short-term investments."

For purpose of the Statement of Cash Flows, the proprietary funds consider investments with original maturities of three months or less to short-term investments.

Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using net asset value (NAV). The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification.

The Town invests in the Massachusetts Municipal Depository Trust (MMDT) Cash Portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. This cash portfolio meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, where investments are valued at amortized cost, which approximates the net asset value of \$1 per share.

Investments are carried at fair value, except certificates of deposit which are reported at cost.

Property Tax Limitations

Legislation known as "Proposition 2½" limits the amount of revenue that can be derived from property taxes. The prior fiscal year's tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth), unless an override or debt exemption is voted. Certain provisions of Proposition 2 ½ can be overridden by a referendum.

Leases

Town as a Lessor

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

The Town uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease, including renewal terms reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are comprised of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease receivable and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Inventory

The costs of governmental fund-type inventory are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

Water fund inventory consists of water meters, chemicals, pipes, hydrants, and valves on hand and is valued at cost using the first-in/first-out (FIFO) method.

Light Plant inventory consists of parts and accessories purchased for use in the utility business for construction, operation, and maintenance purposes and is stated at average cost. Meters and transformers are capitalized when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund type financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs 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.

Massachusetts General Laws require utility plants in service to be depreciated at an annual rate of 3%. Temporary increases in annual depreciation rates may be made for financial factors relating to cash flow for plant expansion and are subject to DPU notification and review.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 50
Machinery, equipment, and furnishings	3 - 15
Infrastructure	20 - 50

Compensated Absences

It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. 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.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. The General Fund and applicable enterprise funds typically repay these obligations.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance

Generally, fund balance represents the difference between current assets/deferred outflows of resources and current liabilities/deferred inflows of resources. The Town has implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions, as follows:

- *Nonspendable* represents amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This fund balance classification includes nonmajor governmental fund reserves for the principal portion of permanent trust funds.
- *Restricted* represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes funds restricted for pension in the General Fund, unspent bond proceeds in the Capital Projects Fund, various special revenue funds, and the income portion of permanent trust funds.
- *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority. This fund balance classification includes General Fund encumbrances for non-lapsing special article appropriations approved at Town Meeting, special purpose stabilization funds, and various special revenue funds.
- *Assigned* represents amounts that are constrained by the Town’s intent to use these resources for a specific purpose. This fund balance classification includes General Fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance

in the subsequent budgetary period, and surplus set aside to be used in the subsequent year's budget.

- *Unassigned* represents amounts that are available to be spent in future periods, general stabilization funds, and deficit funds. The General Fund is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

Net Position

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance, and Accountability

Budgetary Information

At the annual Town Meeting, the Select Board and School Committee present an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by Town Meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at special town meetings as required by changing conditions. In cases of extraordinary or unforeseen expenses, the Finance Committee is empowered to transfer funds from the reserve fund (a contingency appropriation) to a departmental appropriation. "Extraordinary" includes expenses which are not in the usual line, or are great or exceptional. "Unforeseen" includes expenses which are not foreseen as of the time of the annual meeting when appropriations are voted.

Departments are limited to the appropriation as voted. Line items within each department may exceed the line-item budget without being in violation of Massachusetts General Laws. Certain departments may exceed their appropriation if it is for an emergency and for the safety of the general public. These items are limited by Massachusetts General Laws and must be raised in the next year's tax rate.

Formal budgetary integration is employed as a management control device during the year for the General Fund and proprietary funds.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2023. It is anticipated that the deficits in these funds will be eliminated through future departmental or intergovernmental revenues, bond proceeds, and transfers from other funds.

3. Deposits and Investments

Town (Excluding the Pension and OPEB Trust Funds)

Massachusetts General Laws (MGL) Chapter 44, Section 55 place certain limitation on the nature of deposits and investments available to the Town. Deposits, including demand deposits, money markets, and certificates of deposits in any one financial institution, may not exceed 60% of the capital and surplus of such institution unless collateralized by the institution involved. Investments may be made in unconditionally guaranteed U.S. government obligations having maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consists of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, investments with national banks, and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants*. MMDT has an average maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44, Section 54 provides additional investment options for certain special revenue, trust, and OPEB funds.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the Town's deposits may not be returned. The Town does not have formal deposit policies for custodial credit risk.

As of June 30, 2023, \$69,921,368 of the Town's bank balances of \$155,426,254, was exposed to custodial credit risk as uninsured and uncollateralized, \$15,806,943 was

uninsured and collateralized with securities held by the financial institutions trust department or agent. Additionally, \$63,834,779 was invested in a state pool, which is not subject to this disclosure.

Investments

The following is a summary of the Town’s investments as of June 30, 2023:

<u>Investment Type</u>	<u>Amount</u>
Corporate equities	\$ 9,742,363
Equity mutual funds	6,011,788
Real estate investment trusts	495,063
U.S. Treasury notes	<u>16,965,509</u>
Total Investments	\$ <u>33,214,723</u>

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the Town’s deposits may not be returned. The Town does not have formal investment policies related to custodial credit risk.

As of June 30, 2023, \$10,237,426 was subject to custodial credit risk exposure because the related securities were uninsured, unregistered, and held by the Town’s brokerage firm, which is also the counterparty to these securities as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Held by Counterparty's Trust or Agent</u>
Corporate equities	\$ 9,742,363	\$ 9,742,363
Real estate investment trusts	<u>495,063</u>	<u>495,063</u>
Total	\$ <u>10,237,426</u>	\$ <u>10,237,426</u>

Credit Risk – Investments in Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that are purchased using surplus revenues, Massachusetts General Laws, Chapter 44, Section 55, limits the Town’s investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSRO). The Town does not have formal investment policies related to credit risk.

As of June 30, 2023, the only investments the Town held that were subject to credit quality ratings, as rated by S&P Global Ratings, were U.S. Treasury Notes (All U.S. Treasury notes have an implied credit rating of AAA).

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the Town’s investment in a single issuer. The Town places no limit on the amount invested in any one issuer. The Town was not invested in any one issuer (other than U.S. treasuries and certificates of deposit) that represent 5% or more of total investments at the end of fiscal year 2023. The Town does not have formal investment policies related to concentration of credit risk exposure.

Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit disclosure.

Interest Rate Risk – Investments in Debt Securities

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town’s investment policy is to follow state statutes, which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations was as follows at June 30, 2023:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Thereafter</u>
U.S. Treasury notes	\$ <u>16,965,509</u>	\$ <u>15,423,479</u>	\$ <u>1,542,030</u>	\$ <u>-</u>	\$ <u>-</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The policy of the Town is to not invest in foreign currencies.

At June 30, 2023, none of the Town’s investments were exposed to foreign currency risk.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of an asset or liability and give the highest priority to unadjusted quoted prices in active markets for

identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as Level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The Town had the following fair value measurements as of June 30, 2023:

<u>Investment Type</u>	<u>Amount</u>	<u>Fair Value Measurements Using:</u>	
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>
Corporate equities	\$ 9,742,363	\$ 9,742,363	\$ -
Equity mutual funds	6,011,788	6,011,788	-
Real estate investment trusts	495,063	495,063	-
U.S. Treasury notes	<u>16,965,509</u>	<u>16,965,509</u>	<u>-</u>
Total	\$ <u>33,214,723</u>	<u>33,214,723</u>	<u>-</u>

Securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

4. Investments - OPEB Trust Fund

Generally, the OPEB Trust Fund's investment policies mirror that of the Town as discussed in the previous note.

As of June 30, 2023, all the OPEB Trust Fund's investments of \$32,978,187 were in collective investment trust funds.

Custodial Credit Risk

As of June 30, 2023, the Town did not have investments subject to custodial credit risk exposure as all assets were held in an external investment pool.

Credit Risk - Investments in Debt Securities

The OPEB Trust Fund does not have formal investment policies related to credit risk.

As of June 30, 2023, all the OPEB Trust Fund's investments of \$32,978,187 in collective investment trust funds were unrated.

Concentration of Credit Risk

The OPEB Trust Fund places no limit on the amount the OPEB Trust Fund may invest in any one issuer. The OPEB Trust Fund does not have formal investment policies related to concentration of credit risk exposure.

Investments in other pooled investments are excluded from concentration of credit disclosure, which comprise the OPEB Trust Fund's portfolio.

Interest Rate Risk

The OPEB Trust Fund does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2023, all the OPEB Trust Fund’s investments of \$32,978,187 in collective investment trust funds had maturities of less than one year.

Fair Value

As of June 30, 2023, the OPEB Trust Fund’s investments’ fair values were measured using Level 2 significant observable inputs.

5. Investments - Pension Trust Fund

The following is a summary of the System’s investments as of December 31, 2022:

<u>Investment Type</u>	<u>Amount</u>
Pooled alternative investments	\$ 45,786,624
Pooled investments	105,509,687
State investment pool (PRIT)*	<u>50,901,793</u>
Total investments	<u>\$ 202,198,104</u>

**Fair value is the same as the value of the pool share. The Pension Reserves Investment Trust (PRIT) was created under MGL, Chapter 32, Section 22, in December 1983. The Pension Reserves Investment Trust is operated under contract with a private investment advisor, approved by the Pension Reserves Investment Management Board. The Pension Reserves Investment Management Board selects an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under Massachusetts General Laws, chapter 30B.*

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, investment or collateral securities that are in the possession of another party will not be recovered. The System’s investment policy does not explicitly address custodial credit risk.

As of December 31, 2022, the System did not have any investments exposed to custodial credit risk disclosure as investments in external investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Credit Risk – Investments in Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. MGL, Chapter 32, Section 23, limits the investment of pension funds, to the extent not required for current disbursements, in the PRIT Fund or in

securities, other than mortgages or collateral loans, which are legal for the investment of funds in savings banks under the laws of the Commonwealth of Massachusetts, provided that no more than the established percentage of assets, is invested in any one security. While the System's investment policy outlines responsibilities for safekeeping and custody of assets, rebalancing, and securities guidelines, the policy does not explicitly address credit risk.

As of December 31, 2022, all of the System's investments of \$202,198,104 were invested in PRIT or other pooled investments which are unrated by national credit rating organizations.

Concentration of Credit Risk

Massachusetts General Laws Chapter 32, Section 23 limit the amount the System may invest in any one issuer or security type, with the exception of the PRIT Fund. The System's investment policy does not explicitly address concentration of credit risk.

Investments in PRIT and other pooled investments are excluded from concentration of credit disclosure, which comprise the System's portfolio.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The System's investment policy does not explicitly address limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2022, all of the System's investments totaling \$202,198,104, were invested in PRIT or pooled investments with maturities less than one year.

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The System's investment policy does not explicitly address foreign currency risk.

At December 31, 2022, none of the System's investments were exposed to foreign currency risk.

Fair Value

The System categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72).

The System had the following fair value measurements as of December 31, 2022:

<u>Investment Type</u>	<u>Amount</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Investments measured at net asset value (NAV):				
Pooled alternative investments:				
Core real estate	\$ 15,630,760	\$ -	Not eligible	N/A
Emerging markets	2,867,176	-	Not eligible	N/A
Hedge funds	16,561,652	-	Not eligible	N/A
Private equity vintage year 2006	160,894	107,819	Not eligible	N/A
Private equity vintage year 2008	268,606	72,652	Not eligible	N/A
Private equity vintage year 2013	849,833	74,047	Not eligible	N/A
Private equity vintage year 2016	552,092	74,420	Not eligible	N/A
Private equity vintage year 2017	1,270,736	165,134	Not eligible	N/A
Private equity vintage year 2018	2,154,139	364,789	Not eligible	N/A
Private equity vintage year 2019	1,944,222	429,019	Not eligible	N/A
Private equity vintage year 2020	1,773,250	951,965	Not eligible	N/A
Private equity vintage year 2021	1,365,883	1,629,861	Not eligible	N/A
Private equity vintage year 2022	387,381	1,341,075	Not eligible	
Pooled investments:				
RITC multi core fund	47,762,618	-	Monthly	30 days
CIF II core bond MST	20,341,185	-	Monthly	30 days
Rhumblin S&P 500 pooled index fund	10,286,436	-	Monthly	30 days
Acadian international equity fund LP	6,775,645	-	Monthly	30 days
Rhumblin S&P small cap 600 pooled index fund	4,318,671	-	Monthly	30 days
Blackrock Strategic Income Opportunities	16,025,132	-	Monthly	30 days
State investment pool (PRIT)	<u>50,901,793</u>	<u>-</u>	Monthly	30 days
Total	<u>\$ 202,198,104</u>	<u>\$ 5,210,781</u>		

The net asset value (NAV) per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured at NAV for fair value are not subject to level classification.

6. Property Taxes and Excises Receivable

Real and personal property taxes are based on market values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Also by law, property taxes must be levied at least 30 days prior to their due date. Once levied, these taxes are recorded as receivables, net of estimated uncollectible balances. Property tax revenues have been recorded using the accrual and modified accrual basis of accounting on the government-wide and fund basis statements, respectively.

The Town bills and collects its property taxes on a quarterly basis following the January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the Town’s experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid generally occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as “Proposition 2 ½” limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½% of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½% of the prior year’s levy plus the taxes on property newly added to the tax rolls. The actual fiscal year 2023 tax levy reflected an excess capacity of \$5,381,932.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth of Massachusetts. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 of value.

Property taxes and excises receivable at June 30, 2023 consisted of the following:

	<u>Total</u>	Current <u>Portion</u>	Long- Term <u>Portion</u>
Real estate taxes	\$ 845,381	\$ 845,381	\$ -
Personal property taxes	81,382	81,382	-
Community preservation act	15,910	15,910	-
Tax liens	615,064	-	615,064
Deferred taxes	<u>245,175</u>	<u>-</u>	<u>245,175</u>
Total property taxes	<u>\$ 1,802,912</u>	<u>\$ 942,673</u>	<u>\$ 860,239</u>
Motor vehicle excise	\$ 239,249	\$ 239,249	
Other excise	<u>826</u>	<u>826</u>	
Total excises	<u>\$ 240,075</u>	<u>\$ 240,075</u>	

7. User Fees and Betterments Receivable

The Town provides water and sewer services for its residents. Bills are issued based on usage and are sent out either bi-monthly or monthly.

Sewer betterments are assessed to properties for the cost of “bettering” by expanding the sewer capacity. The property owner may pay the betterments within 30 days after the assessments are committed to the collector without interest. Alternatively, the property

owner can pay some or none of the assessment and request an apportionment of the unpaid amount into a maximum of 20 equal portions.

8. Light Plant Receivables

Light Plant receivables consist of the following at December 31, 2022:

Customer Accounts:		
Billed	\$	3,294,118
Less allowances:		
Uncollectible accounts		<u>(21,533)</u>
Total billed		3,272,585
Unbilled, net		<u>2,095,992</u>
Total customer accounts		5,368,577
Other Accounts:		
Merchandise and jobbing		129,082
Liens and other		<u>48,783</u>
Total other accounts		<u>177,865</u>
Total net receivables	\$	<u><u>5,546,442</u></u>

9. Intergovernmental Receivables

This balance represents reimbursements requested from federal and state agencies for expenditures incurred in fiscal year 2023.

10. Leases Receivable

At June 30, 2023, the Town was the lessor in the following leasing arrangements:

<u>Purpose</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of June 30, 2023</u>
<u>Governmental Activities</u>			
Beede Center pool rental - diving	2024	3.28%	\$ 7,854
Beede Center pool rental - PT	2026	3.28%	74,893
Cell tower at 509 Bedford St.	2028	3.28%	461,291
Cell tower at 509 Bedford St.	2034	3.28%	353,269
Cell tower at 40Y Annurnnac Hill	2031	3.28%	286,278
Cell tower at 40Y Annurnnac Hill	2030	3.28%	76,812
Cell tower at 40Y Annurnnac Hill	2043	3.28%	730,027
Marshall Farm	2026	3.28%	36,704
McGrath farm/Barretts Mill farm	2024	3.28%	<u>13,340</u>
			<u>\$ 2,040,468</u>

<u>Business-Type Activities</u>			
Fiber optic cable - Concord-Carlisle Regional School District	2024	5.00%	\$ 29,897
Fiber optic cable - Concord Academy	2029	5.00%	14,390
Fiber optic cable - DSCI Corporation	2031	5.00%	<u>305,838</u>
			<u>\$ 350,125</u>

11. Light Plant Prepaid Expenses

Prepaid expenses of the Light Plant primarily consisted of advance payments for purchased power. At December 31, 2022, the Light Plant reported the following prepaid expenses:

Purchased power	\$ 2,434,155
NYPA prepayment fund	85,884
Fuel inventory	130,861
Insurance and other	<u>494,926</u>
Total	<u>\$ 3,145,826</u>

12. Interfund Fund Accounts

Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The following is an analysis of the June 30, 2023 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 382,485	\$ -
Nonmajor Special Revenue Funds:		
Highway	<u>-</u>	<u>382,485</u>
Total	<u>\$ 382,485</u>	<u>\$ 382,485</u>

Transfers

The Town reports interfund transfers between many of its funds. The sum of all transfers presented in the table agrees with the sum of interfund transfers in the fund financial statements. Transfers do not offset due to the timing difference of reporting the Town as of June 30, 2023 and the Light Plant as of December 31, 2022.

The following is a schedule of interfund transfers made in fiscal year 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 448,500	\$ 617,924 (1) (2) (3) (4)
Nonmajor Governmental Funds:		
Receipts reserved for appropriation	-	87,315 (3)
Gifts	-	29,399 (5)
Recreation	29,399	56,951 (5)
Other revolving	56,951	- (5)
Land Acquisition	20,010	- (5)
State grants	82,815	- (5)
Other special revenue funds	500,000	- (2)
Major Enterprise Funds:		
Sewer - debt service	97,914	- (4)
Electric	-	296,000 (1)
Total	<u>\$ 1,235,589</u>	<u>\$ 1,087,589</u>

- (1) Light Plant payment-in-lieu of taxes (PILOT) to general fund
- (2) Transfer to affordable housing trust
- (3) Receipts reserved for appropriation to general fund for purchase of books
- (4) Debt service subsidy to the sewer fund
- (5) Transfer from funds that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them

13. Light Plant Restricted Cash

Restricted cash of the Light Plant consisted of the following at December 31, 2022:

Customer advances for construction fund	\$ 255,922
Customer deposits fund	577,963
Depreciation fund	7,488,870
Renewable energy certificate purchase fund	2,641,575
Underground fund	<u>2,583,247</u>
Total	<u>\$ 13,547,577</u>

The Light Plant maintains the following restricted cash accounts:

Customer Advances for Construction Fund

This represents customer deposits held for special construction projects.

Customer Deposits Fund

This represents residential and commercial customer service deposits that are held in escrow.

Depreciation Fund

The Light Plant reserves 3.00% of depreciable utility plant assets each year to fund current and future capital improvements.

Renewable Energy Certificate Purchase Fund

This account was established to accumulate funds received from customers for the purpose of purchasing renewable energy certificates on the open market.

Underground Fund

This fund was established in 1987 for the purpose of placing existing overhead lines underground. Currently a 1.50% charge on all electric bills is used to replenish this fund.

14. Investment in Associated Companies

Under agreements with the New England Hydro-Transmission Electric Company, Inc. (NEH) and the New England Hydro-Transmission Corporation (NHH), the Light Plant has made advances to fund its equity requirements for the Hydro-Quebec Phase II interconnection. The Light Plant is carrying its investment at cost, reduced by shares repurchased. As of December 31, 2022, the market value of these investments could not be readily determined.

The Light Plant also purchased a 5% interest in Energy New England, LLC for \$150,000 in 2007. Energy New England is an energy and energy services cooperative established to assist publicly owned entities to ensure their continued viability in the deregulated wholesale electric utility market and to strengthen their competitive position in the retail energy market for the benefit of the municipal entities. Energy New England functions as an autonomous, entrepreneurial business unit that is free from many of the constraints imposed on traditional municipal utility operations. The balance, reflected at fair value, was \$743,210 as of December 31, 2021, as of December 31, 2022 fair value was not readily available.

Other investment in associated companies, at December 31, 2022 consists of a \$38,846 investment in Hydro-Quebec.

15. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 126,780,770	\$ 1,217,467	\$ -	\$ 127,998,237
Machinery, equipment, and furnishings	30,618,883	760,439	(87,919)	31,291,403
Infrastructure	<u>60,390,638</u>	<u>1,462,685</u>	<u>-</u>	<u>61,853,323</u>
Total capital assets, being depreciated	217,790,291	3,440,591	(87,919)	221,142,963
Less accumulated depreciation for:				
Buildings and improvements	(53,045,446)	(3,906,309)	-	(56,951,755)
Machinery, equipment, and furnishings	(23,657,737)	(1,878,660)	79,195	(25,457,202)
Infrastructure	<u>(27,162,780)</u>	<u>(2,242,327)</u>	<u>-</u>	<u>(29,405,107)</u>
Total accumulated depreciation	<u>(103,865,963)</u>	<u>(8,027,296)</u>	<u>79,195</u>	<u>(111,814,064)</u>
Total capital assets, being depreciated, net	113,924,328	(4,586,705)	(8,724)	109,328,899
Capital assets, not being depreciated:				
Land	56,090,281	1,500,000	-	57,590,281
Construction in progress	<u>4,423,111</u>	<u>8,390,839</u>	<u>(717,420)</u>	<u>12,096,530</u>
Total capital assets, not being depreciated	<u>60,513,392</u>	<u>9,890,839</u>	<u>(717,420)</u>	<u>69,686,811</u>
Governmental activities capital assets, net	<u>\$ 174,437,720</u>	<u>\$ 5,304,134</u>	<u>\$ (726,144)</u>	<u>\$ 179,015,710</u>
	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities - Total				
Capital assets, being depreciated:				
Buildings and improvements	\$ 20,874,902	\$ 45,011	\$ -	\$ 20,919,913
Machinery, equipment, and furnishings	20,314,796	137,688	(28,217)	20,424,267
Infrastructure	114,983,298	3,302,137	(79,548)	118,205,887
Intangible	<u>2,086,402</u>	<u>-</u>	<u>-</u>	<u>2,086,402</u>
Total capital assets, being depreciated	158,259,398	3,484,836	(107,765)	161,636,469
Less accumulated depreciation for:				
Buildings and improvements	(9,633,733)	(610,017)	-	(10,243,750)
Machinery, equipment, and furnishings	(10,925,490)	(553,675)	25,294	(11,453,871)
Infrastructure	(54,682,211)	(3,275,058)	72,725	(57,884,544)
Intangible	<u>(1,064,799)</u>	<u>(62,592)</u>	<u>-</u>	<u>(1,127,391)</u>
Total accumulated depreciation	<u>(76,306,233)</u>	<u>(4,501,342)</u>	<u>98,019</u>	<u>(80,709,556)</u>
Total capital assets, being depreciated, net	81,953,165	(1,016,506)	(9,746)	80,926,913
Capital assets, not being depreciated:				
Land	6,522,776	-	-	6,522,776
Construction in progress	<u>2,181,814</u>	<u>1,730,815</u>	<u>(662,755)</u>	<u>3,249,874</u>
Total capital assets, not being depreciated	<u>8,704,590</u>	<u>1,730,815</u>	<u>(662,755)</u>	<u>9,772,650</u>
Business-type activities capital assets, net	<u>\$ 90,657,755</u>	<u>\$ 714,309</u>	<u>\$ (672,501)</u>	<u>\$ 90,699,563</u>

The following tables represent capital asset activity for the year ended June 30, 2023 (except the Electric fund which is for the year ended December 31, 2022) for each individual enterprise fund:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities - Water				
Capital assets, being depreciated:				
Machinery, equipment, and furnishings	\$ 3,573,036	\$ 89,567	\$ -	\$ 3,662,603
Infrastructure	<u>35,743,601</u>	<u>1,788,976</u>	<u>-</u>	<u>37,532,577</u>
Total capital assets, being depreciated	39,316,637	1,878,543	-	41,195,180
Less accumulated depreciation for:				
Machinery, equipment, and furnishings	(3,027,506)	(109,811)	-	(3,137,317)
Infrastructure	<u>(13,873,275)</u>	<u>(1,064,127)</u>	<u>-</u>	<u>(14,937,402)</u>
Total accumulated depreciation	<u>(16,900,781)</u>	<u>(1,173,938)</u>	<u>-</u>	<u>(18,074,719)</u>
Total capital assets, being depreciated, net	22,415,856	704,605	-	23,120,461
Capital assets, not being depreciated:				
Land	4,070,467	-	-	4,070,467
Construction in progress	<u>1,283,246</u>	<u>931,657</u>	<u>-</u>	<u>2,214,903</u>
Total capital assets, not being depreciated	<u>5,353,713</u>	<u>931,657</u>	<u>-</u>	<u>6,285,370</u>
Business-type activities capital assets, net	<u>\$ 27,769,569</u>	<u>\$ 1,636,262</u>	<u>\$ -</u>	<u>\$ 29,405,831</u>
	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities - Sewer				
Capital assets, being depreciated:				
Buildings and improvements	\$ 59,892	\$ -	\$ -	\$ 59,892
Machinery, equipment, and furnishings	1,884,598	29,856	-	1,914,454
Infrastructure	<u>35,623,015</u>	<u>714,401</u>	<u>-</u>	<u>36,337,416</u>
Total capital assets, being depreciated	37,567,505	744,257	-	38,311,762
Less accumulated depreciation for:				
Buildings and improvements	(59,892)	-	-	(59,892)
Machinery, equipment, and furnishings	(1,685,635)	(46,880)	-	(1,732,515)
Infrastructure	<u>(19,910,213)</u>	<u>(882,146)</u>	<u>-</u>	<u>(20,792,359)</u>
Total accumulated depreciation	<u>(21,655,740)</u>	<u>(929,026)</u>	<u>-</u>	<u>(22,584,766)</u>
Total capital assets, being depreciated, net	15,911,765	(184,769)	-	15,726,996
Capital assets, not being depreciated:				
Land	850,000	-	-	850,000
Construction in progress	<u>77,378</u>	<u>-</u>	<u>(77,378)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>927,378</u>	<u>-</u>	<u>(77,378)</u>	<u>850,000</u>
Business-type activities capital assets, net	<u>\$ 16,839,143</u>	<u>\$ (184,769)</u>	<u>\$ (77,378)</u>	<u>\$ 16,576,996</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities - Electric				
Capital assets, being depreciated:				
Buildings and improvements	\$ 9,451,078	\$ 4,739	\$ -	\$ 9,455,817
Machinery, equipment, and furnishings	14,192,830	18,265	(28,217)	14,182,878
Infrastructure	43,599,182	798,760	(79,548)	44,318,394
Intangible	<u>2,086,402</u>	<u>-</u>	<u>-</u>	<u>2,086,402</u>
Total capital assets, being depreciated	69,329,492	821,764	(107,765)	70,043,491
Less accumulated depreciation for:				
Buildings and improvements	(5,117,238)	(280,098)	-	(5,397,336)
Machinery, equipment, and furnishings	(5,589,179)	(380,794)	25,294	(5,944,679)
Infrastructure	(20,896,025)	(1,327,910)	72,725	(22,151,210)
Intangible	<u>(1,064,799)</u>	<u>(62,592)</u>	<u>-</u>	<u>(1,127,391)</u>
Total accumulated depreciation	<u>(32,667,241)</u>	<u>(2,051,394)</u>	<u>98,019</u>	<u>(34,620,616)</u>
Total capital assets, being depreciated, net	36,662,251	(1,229,630)	(9,746)	35,422,875
Capital assets, not being depreciated:				
Land	1,602,309	-	-	1,602,309
Construction in progress	<u>821,190</u>	<u>799,158</u>	<u>(585,377)</u>	<u>1,034,971</u>
Total capital assets, not being depreciated	<u>2,423,499</u>	<u>799,158</u>	<u>(585,377)</u>	<u>2,637,280</u>
Business-type activities capital assets, net	<u>\$ 39,085,750</u>	<u>\$ (430,472)</u>	<u>\$ (595,123)</u>	<u>\$ 38,060,155</u>
	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities - Swim & Fitness				
Capital assets, being depreciated:				
Buildings and improvements	\$ 11,363,932	\$ 40,272	\$ -	\$ 11,404,204
Machinery, equipment, and furnishings	664,332	-	-	664,332
Infrastructure	<u>17,500</u>	<u>-</u>	<u>-</u>	<u>17,500</u>
Total capital assets, being depreciated	12,045,764	40,272	-	12,086,036
Less accumulated depreciation for:				
Buildings and improvements	(4,456,603)	(329,919)	-	(4,786,522)
Machinery, equipment, and furnishings	(623,170)	(16,190)	-	(639,360)
Infrastructure	<u>(2,698)</u>	<u>(875)</u>	<u>-</u>	<u>(3,573)</u>
Total accumulated depreciation	<u>(5,082,471)</u>	<u>(346,984)</u>	<u>-</u>	<u>(5,429,455)</u>
Business-type activities capital assets, net	<u>\$ 6,963,293</u>	<u>\$ (306,712)</u>	<u>\$ -</u>	<u>\$ 6,656,581</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental Activities	
General government	\$ 1,177,943
Public safety	1,127,328
Education	2,529,753
Public works	2,675,080
Health and human services	96,673
Culture and recreation	<u>420,519</u>
Total Governmental Activities	<u>\$ 8,027,296</u>

Business-Type Activities	
Water	\$ 1,173,938
Sewer	929,026
Electric	2,051,394
Swim & Fitness	<u>346,984</u>
Total Business-Type Activities	\$ <u>4,501,342</u>

16. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the Town that apply to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes. The Town also reports deferred outflows of resources related to refunding of bonds.

17. Accrued Liabilities

This balance represents expenditures paid in fiscal year 2024 that were attributable to fiscal year 2023, interest accrued at year end, and payroll related to fiscal year 2023 due to employees at year end.

18. Escrow Deposits

Escrow deposits represent funds related to ongoing projects within the Town. These will be refunded at the projects' completion.

19. Unearned Revenue

This balance represents revenue collected in advance for solid waste and swim & fitness activities as well as grant funds received by the Town from the American Rescue Plan Act (ARPA). These amounts will be recognized as revenue in future reporting periods.

20. Customer Deposits

This balance represents deposits received from residential and commercial customers that are held in escrow. Earned interest is applied to customer accounts at year-end or when the deposit is applied to their closed accounts.

21. Notes Payable

The following summarizes the Town's activity in notes payable during fiscal year 2023 along with the notes outstanding at June 30, 2023:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
Governmental							
MWPAT interim note	0.00%	03/31/20	Ongoing	\$ 300,000	\$ -	\$ (300,000)	\$ -
MWPAT interim note	0.00%	03/31/22	Ongoing	90,000	150,000	-	240,000
General obligation note	5.38%	06/29/23	6/27/2024	-	176,000	-	176,000
Total				<u>\$ 390,000</u>	<u>\$ 326,000</u>	<u>\$ (300,000)</u>	<u>\$ 416,000</u>

22. Long-Term Liabilities

Long-Term Debt Supporting Activities

The Town primarily issues general obligation bonds and direct borrowings to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

Borrowings outstanding were as follows at June 30, 2023 (except for the Light Plant, which is as of December 31, 2022):

<u>Governmental Activities</u>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding</u>
Public offerings:				
Building Renovation and Site Work	\$ 200,000	2024	4.00	\$ 25,000
Fire Engine Replacement	550,000	2024	4.00	40,000
Fire Engine Rehabilitation	138,000	2024	5.00	23,000
Town-wide Building Maintenance	467,100	2024	5.00	87,000
Alcott School Refunding	2,781,500	2025	3.00	524,000
Alcott School Refunding	577,000	2025	3.00	109,000
Thoreau School Refunding	1,201,500	2025	3.00	152,000
Town House Interior Improvements	350,000	2025	2.00 - 4.00	70,000
Cemetery Roads and Infrastructure	94,100	2025	3.00 - 5.00	20,000
Open Space Land Acquisition	91,000	2025	5.00	30,000
School Capital	810,500	2025	5.00	310,000
Middle School Feasibility Study	1,347,000	2025	5.00	535,000
School Building Renovations	650,000	2026	2.00 - 4.00	160,000
Thoreau School Refunding	2,804,400	2026	2.00 - 4.00	1,028,000
Road Maintenance	1,245,000	2026	5.00	525,000
Library - Energy Efficient Systems	150,000	2026	5.00	90,000
Parking Lot - Harvey Wheeler Building	100,000	2026	5.00	60,000
Town Wide Building Maintenance	328,500	2026	5.00	195,000
Electric Bus Infrastructure	150,000	2026	5.00	90,000
Emerson Playground	200,000	2026	5.00	120,000
Ambulance #2 Replacement	275,000	2026	5.00	165,000

(continued)

(continued)

<u>Governmental Activities</u>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding</u>
Public offerings:				
Road Improvements	1,236,300	2027	2.00 - 4.00	550,000
Trail Improvements	25,000	2027	5.00	20,000
Municipal Building Improvements	195,000	2027	5.00	155,000
Ladder #1 Refurbishment	250,000	2027	5.00	200,000
Self-Contained Breathing Apparatus	245,000	2027	5.00	195,000
Heavy Equipment Park and Tree	245,000	2027	5.00	195,000
Heavy Equipment Highway	235,000	2027	5.00	185,000
Road Improvements	1,200,000	2028	2.00 - 4.00	400,000
School Bus Depot	950,000	2028	2.00 - 4.00	325,000
Willard School Refunding	5,389,000	2028	2.00 - 4.00	2,945,000
Bus Depot	268,200	2028	3.00 - 5.00	123,000
Municipal Building Renovations	312,600	2028	3.00 - 5.00	147,500
Fire Engine Replacement	512,700	2028	3.00 - 5.00	247,500
Ambulance Replacement	232,700	2028	3.00 - 5.00	105,000
CPS Renovations	757,030	2028	3.00 - 5.00	372,030
2017 Roads Program	1,259,970	2028	3.00 - 5.00	624,970
CPS Bus Depot	1,735,625	2028	3.00 - 5.00	855,000
CPW Heavy Equipment	286,000	2028	4.00 - 5.00	286,000
Gerow Park Improvements	200,000	2028	4.00 - 5.00	200,000
Emerson Basketball Court Improvements	150,000	2028	4.00 - 5.00	150,000
Municipal Building 113-135 Keyes RD Roof Repair	200,000	2028	4.00 - 5.00	200,000
School Improvements	770,000	2029	5.00	450,000
Land Acquisition (Gerow Land Purchase)	2,135,900	2029	5.00	1,275,000
Willard School Remodeling Refunding	5,170,000	2029	5.00	3,530,000
Park Improvements (Gerow)	499,500	2030	5.00	345,000
Park Improvements (White Pond)	499,500	2030	5.00	345,000
Park Improvements (Rideout)	169,500	2030	5.00	105,000
2019 Roads Program	667,000	2030	5.00	455,000
2019 Roads (Cambridge Turnpike)	500,000	2030	5.00	345,000
School Building Repair and Equipment	830,000	2031	5.00	685,000
White Pond Improvements	600,000	2031	5.00	495,000
Roads 2020 Program	1,250,000	2031	5.00	1,035,000
141 Keyes Road Renovation	400,000	2032	5.00	360,000
Warner's Pond Dredging	500,000	2032	5.00	450,000
White Pond Park Improvements	500,000	2032	5.00	450,000
Warner's Pond Park Improvements	1,250,000	2032	5.00	1,125,000
2021 Roads Program	1,300,000	2032	5.00	1,170,000
Drainage and Sidewalks	330,000	2032	5.00	295,000
Concord Public School Renovations #1	900,000	2033	4.00 - 5.00	900,000
Concord Public School Renovations #2	900,000	2033	4.00 - 5.00	900,000
Roadway Improvements	2,000,000	2033	4.00 - 5.00	2,000,000
Culvert and Bridge Improvements	772,000	2033	4.00 - 5.00	772,000
Middle School Construction	11,083,000	2042	4.00 - 5.00	10,525,000
Middle School Construction	49,192,000	2053	4.00 - 5.00	<u>49,192,000</u>
Total public offerings				90,043,000
Direct borrowings:				
Title V Loans	197,457	2025	0.00	39,490
Title V Loans	665,490	2040	0.00	565,665
Title V Loans	300,000	2043	0.00	300,000
School Buses	265,954	2024	2.52	54,512
School Buses	269,408	2025	1.48	<u>108,542</u>
Total direct borrowings				<u>1,068,209</u>
Total Governmental Activities				<u>\$ 91,111,209</u>

<u>Business-Type Activities</u>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding</u>
Water:				
Public offerings:				
Water Refunding	\$ 270,000	2026	5.00	\$ 165,000
Water Refunding	1,638,200	2027	2.00 - 4.00	627,000
Water Treatment Plant	831,500	2031	5.00	660,000
Nagog Water Ointake Improvements	1,660,000	2031	5.00	1,320,000
Water System Improvements	1,650,000	2033	4.00 - 5.00	1,650,000
Water Main Replacement	2,000,000	2033	4.00 - 5.00	2,000,000
Water Main Replacement	1,847,000	2042	4.00 - 5.00	<u>1,750,000</u>
Total Water				8,172,000
Sewer:				
Public offerings:				
Land Acquisition (WR Grace Eminent Domain)	172,000	2024	5.00	32,000
Land Acquisition (WR Grace Eminent Domain)	138,000	2024	5.00	<u>23,000</u>
Total public offerings				55,000
Direct borrowings:				
Sewer MWPAT	4,190,000	2026	2.00	743,190
Sewer MWPAT	9,967,780	2027	2.00	<u>2,534,909</u>
Total direct borrowings				<u>3,278,099</u>
Total Sewer				3,333,099
Electric:				
Public offerings:				
Land Acquisition (WR Grace)	172,000	2024	5.00	67,000
Light Plant Expansion	3,900,000	2027	2.07	1,500,000
Telecom	338,000	2029	5.00	253,000
Telecom	131,000	2028	5.00	110,000
Smart Grid - Refunding	904,000	2026	5.00	<u>720,000</u>
Total Electric				<u>2,650,000</u>
Total Business-Type Activities				<u>\$ 14,155,099</u>

Future Debt Service

The annual payments to retire all general obligation bonds and loans outstanding as of June 30, 2023 (except for the Light Plant which is as of December 31, 2022) were as follows:

Governmental Activities

<u>Year Ending June 30,</u>	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal</u>	<u>Total Interest</u>
2024	\$ 8,105,000	\$ 2,986,913	\$ 176,189	\$ 3,007	\$ 8,281,189	\$ 2,989,920
2025	7,103,000	3,598,881	122,501	815	7,225,501	3,599,696
2026	6,275,000	3,284,250	48,107	-	6,323,107	3,284,250
2027	5,500,000	2,999,900	48,129	-	5,548,129	2,999,900
2028	5,170,000	2,743,650	48,151	-	5,218,151	2,743,650
2029	3,810,000	2,502,050	48,174	-	3,858,174	2,502,050
2030	2,970,000	2,311,550	48,196	-	3,018,196	2,311,550
2031	2,835,000	2,163,050	48,217	-	2,883,217	2,163,050
2032	2,565,000	2,021,300	48,240	-	2,613,240	2,021,300
2033	2,195,000	1,893,050	48,262	-	2,243,262	1,893,050
2034-2038	9,750,000	8,020,100	241,649	-	9,991,649	8,020,100
2039-2043	10,740,000	5,876,800	142,394	-	10,882,394	5,876,800
2044-2048	10,385,000	3,807,000	-	-	10,385,000	3,807,000
2049-2053	12,640,000	1,556,400	-	-	12,640,000	1,556,400
Total	\$ 90,043,000	\$ 45,764,894	\$ 1,068,209	\$ 3,822	\$ 91,111,209	\$ 45,768,716

Business-Type Activities

<u>Water</u> <u>Year Ending June 30,</u>	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal</u>	<u>Total Interest</u>
2024	\$ 925,000	\$ 311,448	\$ -	\$ -	\$ 925,000	\$ 311,448
2025	922,000	344,470	-	-	922,000	344,470
2026	920,000	301,550	-	-	920,000	301,550
2027	865,000	258,650	-	-	865,000	258,650
2028	705,000	221,600	-	-	705,000	221,600
2029	705,000	186,350	-	-	705,000	186,350
2030	705,000	151,100	-	-	705,000	151,100
2031	705,000	115,850	-	-	705,000	115,850
2032	455,000	80,600	-	-	455,000	80,600
2033	455,000	57,850	-	-	455,000	57,850
2034-2038	450,000	131,400	-	-	450,000	131,400
2039-2042	360,000	36,000	-	-	360,000	36,000
Total	\$ 8,172,000	\$ 2,196,868	\$ -	\$ -	\$ 8,172,000	\$ 2,196,868

<u>Sewer</u> <u>Year Ending June 30,</u>	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal</u>	<u>Total Interest</u>
2024	\$ 55,000	\$ 2,750	\$ 857,635	\$ 56,986	\$ 912,635	\$ 59,736
2025	-	-	874,962	39,660	874,962	39,660
2026	-	-	892,637	21,984	892,637	21,984
2027	-	-	652,865	6,529	652,865	6,529
Total	\$ 55,000	\$ 2,750	\$ 3,278,099	\$ 125,159	\$ 3,333,099	\$ 127,909

<u>Year Ending December 31,</u>	<u>Electric</u>		<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal</u>	<u>Total Interest</u>		
2023	\$ 560,000	\$ 85,875	\$ -	\$ -	\$ 560,000	\$ 85,875		
2024	565,000	63,750	-	-	565,000	63,750		
2025	535,000	43,375	-	-	535,000	43,375		
2026	540,000	24,563	-	-	540,000	24,563		
2027	355,000	9,875	-	-	355,000	9,875		
2028	55,000	3,375	-	-	55,000	3,375		
2029	40,000	1,000	-	-	40,000	1,000		
Total	\$ <u>2,650,000</u>	\$ <u>231,813</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,650,000</u>	\$ <u>231,813</u>		

The Town has issued direct borrowings from the Massachusetts Pollution Abatement Trust (MWPAT), a state revolving loan fund (SRF) of the Massachusetts Clean Water Trust (MCWT), a component unit of the Commonwealth of Massachusetts. MCWT issues special obligation bonds under its SRF programs to provide low-cost financing to Cities, Towns, and other eligible borrowers primarily for the construction and improvement of drinking water and wastewater infrastructure. The Town is currently drawing down on a line of credit. The amount drawn down as of June 30, 2023 is noted in Note 21 above. There were no assets pledged as collateral for debt. The Town certified that rates and charges in the General Fund and Sewer Enterprise Fund have been set at a sufficient level to cover estimated operating expenses and debt service related to direct borrowings. In addition, the Town as an “obligated person” with respect to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, agrees with MCWT to provide an annual report, not later than 270 days after the close of each fiscal year, that incorporates the most recently available audited financial statements to meet continuing disclosure requirements.

Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2023 were as follows:

<u>Purpose</u>	<u>Amount</u>
Middle School Construction	\$ 40,816,000
Water System Improvements	11,500,000
Smart Grid Improvements	3,000,000
Concord-Carlisle Landfill Remediation	1,200,000
Telecommunications Services	850,000
Roof Replacement	381,250
Assabet River Bluff Preservation	324,000
Fire Department SCBA Equipment	105,000
Municipal Building Improvements	52,750
Septic System Betterment	<u>1</u>
Total	\$ <u>58,229,001</u>

Overlapping Debt

The Town is a member community of other governmental agencies which are authorized to issue debt. The Town is not directly responsible for the payment or guarantee of these debts; however, annual debt service costs are included in the operating budgets of these agencies, and are funded through user charges and/or assessments to the Town. The following summarizes the debt of these other agencies and the Town's related participation percentages as of June 30, 2023:

<u>Related Entity</u>	<u>Total Principal</u>	<u>Town's Percent</u>	<u>Town's Share</u>
Concord-Carlisle Regional School District	\$ 38,290,310	77.41%	\$ 29,640,529
Minuteman Regional Vocational School District	97,536,548	6.25%	<u>6,096,034</u>
Total			\$ <u>35,736,563</u>

This liability is appropriately not reported in the accompanying financial statements.

Changes in Long-Term Liabilities

During the year ended June 30, 2023, with the exception of the Light Plant which is as of December 31, 2022, the following changes occurred in long-term liabilities:

	Total Balance <u>7/1/22</u>	Additions	Reductions	Total Balance <u>6/30/23</u>	Less: Current Portion	Equals Long-Term Portion <u>6/30/23</u>
Governmental Activities						
Bonds payable:						
Public offerings	\$ 41,816,000	\$ 54,600,000	\$ (6,373,000)	\$ 90,043,000	\$ (8,105,000)	\$ 81,938,000
Loans (direct borrowings)	1,028,126	300,000	(259,917)	1,068,209	(176,189)	892,020
Unamortized bond premium	<u>5,435,818</u>	<u>1,266,000</u>	<u>(676,976)</u>	<u>6,024,842</u>	<u>(719,176)</u>	<u>5,305,666</u>
Subtotal bonds payable	48,279,944	56,166,000	(7,309,893)	97,136,051	(9,000,365)	88,135,686
Compensated absences liability	2,639,415	1,108,370	(263,942)	3,483,843	(348,384)	3,135,459
Landfill closure liability	100,000	-	(10,000)	90,000	(10,000)	80,000
Net pension liability	-	22,897,169	-	22,897,169	-	22,897,169
Net OPEB liability	<u>20,507,322</u>	<u>-</u>	<u>(997,661)</u>	<u>19,509,661</u>	<u>-</u>	<u>19,509,661</u>
Total long-term liabilities	\$ <u>71,526,681</u>	\$ <u>80,171,539</u>	\$ <u>(8,581,496)</u>	\$ <u>143,116,724</u>	\$ <u>(9,358,749)</u>	\$ <u>133,757,975</u>
Business-Type Activities						
Water						
Bonds payable:						
Public offerings	\$ 5,094,000	\$ 3,650,000	\$ (572,000)	\$ 8,172,000	\$ (925,000)	\$ 7,247,000
Unamortized bond premium	<u>702,106</u>	<u>350,000</u>	<u>(73,742)</u>	<u>978,364</u>	<u>(108,742)</u>	<u>869,622</u>
Total long-term debt	5,796,106	4,000,000	(645,742)	9,150,364	(1,033,742)	8,116,622
Compensated absences liability	105,730	13,042	(26,084)	92,688	(9,269)	83,419
Net pension liability	-	642,179	-	642,179	-	642,179
Net OPEB liability	<u>505,949</u>	<u>-</u>	<u>(318,296)</u>	<u>187,653</u>	<u>-</u>	<u>187,653</u>
Total Water long-term liabilities	6,407,785	4,655,221	(990,122)	10,072,884	(1,043,011)	9,029,873
Sewer						
Bonds payable:						
Public offerings	115,000	-	(60,000)	55,000	(55,000)	-
Loans (direct borrowings)	<u>4,118,751</u>	<u>-</u>	<u>(840,652)</u>	<u>3,278,099</u>	<u>(857,635)</u>	<u>2,420,464</u>
Total long-term debt	4,233,751	-	(900,652)	3,333,099	(912,635)	2,420,464
Compensated absences liability	26,433	3,261	(6,522)	23,172	(2,317)	20,855
Net pension liability	-	160,545	-	160,545	-	160,545
Net OPEB liability	<u>121,802</u>	<u>-</u>	<u>(105,122)</u>	<u>16,680</u>	<u>-</u>	<u>16,680</u>
Total Sewer long-term liabilities	4,381,986	163,806	(1,012,296)	3,533,496	(914,952)	2,618,544
Electric						
Bonds payable:						
Public offerings	3,220,000	-	(570,000)	2,650,000	(560,000)	2,090,000
Unamortized bond premium	<u>296,583</u>	<u>-</u>	<u>(60,041)</u>	<u>236,542</u>	<u>(60,041)</u>	<u>176,501</u>
Total long-term debt	3,516,583	-	(630,041)	2,886,542	(620,041)	2,266,501
Compensated absences liability	236,538	252,899	(303,484)	185,953	(9,298)	176,655
Net pension liability (asset)	1,164,249	-	(1,723,052)	(558,803)	-	(558,803)
Net OPEB liability	<u>1,080,514</u>	<u>1,048,687</u>	<u>-</u>	<u>2,129,201</u>	<u>-</u>	<u>2,129,201</u>
Total Electric long-term liabilities	5,997,884	1,301,586	(2,656,577)	4,642,893	(629,339)	4,013,554
Swim & Fitness						
Compensated absences liability	24,373	2,437	(8,490)	18,320	(1,832)	16,488
Net pension liability	-	301,356	-	301,356	-	301,356
Net OPEB liability	<u>159,280</u>	<u>-</u>	<u>(140,515)</u>	<u>18,765</u>	<u>-</u>	<u>18,765</u>
Total Nonmajor long-term liabilities	<u>183,653</u>	<u>303,793</u>	<u>(149,005)</u>	<u>338,441</u>	<u>(1,832)</u>	<u>336,609</u>
Business-Type Activities	\$ <u>16,971,308</u>	\$ <u>6,424,406</u>	\$ <u>(4,808,000)</u>	\$ <u>18,587,714</u>	\$ <u>(2,589,134)</u>	\$ <u>15,998,580</u>

Long-Term Liabilities Supporting Governmental and Business-Type Activities

General obligation bonds and state revolving loans, issued by the Town for various municipal projects, are approved by Town Meeting and repaid with revenues recorded in the General Fund and user fees recorded in enterprise funds. All other long-term liabilities are repaid from the funds that the cost relates to, primarily the General Fund and enterprise funds.

23. Landfill Closure and Postclosure Care Costs

The Town stopped accepting waste and permanently capped its landfill in fiscal year 2003. State and federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Since the Town's landfill has stopped accepting waste, the Town reports these closure and postclosure care costs as a liability in the government-wide financial statements.

The \$90,000 reported as landfill postclosure care liability at June 30, 2023 represents the remaining estimated postclosure maintenance costs. These amounts are based on what it would cost to perform all postclosure care in fiscal year 2023. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

24. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of net assets by the Town that apply to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes. Deferred inflows related to leases, in accordance with GASB Statement No. 87 have been recognized in fiscal year 2022, and are offset with lease receivables. Other deferred inflows of resources consist of regulatory resources which will be used in future years' Light Plant customer rates. *Unavailable revenues* are reported in the governmental funds Balance Sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

25. Governmental Funds – Fund Balances

The Town's fund balances at June 30, 2023 were comprised of the following:

	General Fund	Capital Projects Fund	Federal Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Permanent funds	\$ -	\$ -	\$ -	\$ 4,682,972	\$ 4,682,972
Total Nonspendable	-	-	-	4,682,972	4,682,972
Restricted					
Pension fund	10,635,678	-	-	-	10,635,678
Federal grants	-	-	502,097	-	502,097
Capital project funds	-	65,442,779	-	-	65,442,779
Community preservation	-	-	-	4,168,738	4,168,738
Permanent funds	-	-	-	4,168,014	4,168,014
PEG Access	-	-	-	1,805,291	1,805,291
Gifts	-	-	-	1,735,252	1,735,252
Recreation	-	-	-	2,283,416	2,283,416
State grants	-	-	-	1,236,278	1,236,278
Other revolving	-	-	-	990,985	990,985
Receipts reserved for appropriation	-	-	-	591,663	591,663
Solid waste	-	-	-	430,707	430,707
Cemetery	-	-	-	373,232	373,232
Other	-	-	-	2,051,990	2,051,990
Total Restricted	10,635,678	65,442,779	502,097	19,835,566	96,416,120
Committed					
Middle School stabilization	4,632,527	-	-	-	4,632,527
Insurance reserve fund	3,149,428	-	-	-	3,149,428
Capital outlay	1,547,045	-	-	-	1,547,045
Information technology improvements	245,688	-	-	-	245,688
Affordable housing units at junction village	1,000,000	-	-	-	1,000,000
Emergency response stabilization	104,972	-	-	-	104,972
Other	1,127,274	-	-	-	1,127,274
Land acquisition	-	-	-	41,031	41,031
Total Committed	11,806,934	-	-	41,031	11,847,965

(continued)

(continued)

	General Fund	Capital Projects Fund	Federal Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assigned					
Education	451,412	-	-	-	451,412
Engineering services	30,237	-	-	-	30,237
Planning board	47,045	-	-	-	47,045
Ceremonies and celebrations	75,575	-	-	-	75,575
Library	36,197	-	-	-	36,197
Police department	55,562	-	-	-	55,562
Highway improvements	137,942	-	-	-	137,942
Cemetery	111,261	-	-	-	111,261
Parks and trees	64,132	-	-	-	64,132
Information systems	76,741	-	-	-	76,741
Building improvements	44,266	-	-	-	44,266
Human resources	59,187	-	-	-	59,187
Town manager	42,802	-	-	-	42,802
Resource sustainability	26,595	-	-	-	26,595
Legal	65,965	-	-	-	65,965
133-135 Keyes Road building improvements	68,727	-	-	-	68,727
Other	191,015	-	-	-	191,015
For next year's expenditures	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total Assigned	2,584,661	-	-	-	2,584,661
Unassigned					
General Fund	12,980,711	-	-	-	12,980,711
General stabilization fund	4,696	-	-	-	4,696
Deficit funds	<u>-</u>	<u>(176,000)</u>	<u>(819,997)</u>	<u>(161,902)</u>	<u>(1,157,899)</u>
Total Unassigned	<u>12,985,407</u>	<u>(176,000)</u>	<u>(819,997)</u>	<u>(161,902)</u>	<u>11,827,508</u>
Total Fund Balances	\$ <u>38,012,680</u>	\$ <u>65,266,779</u>	\$ <u>(317,900)</u>	\$ <u>24,397,667</u>	\$ <u>127,359,226</u>

26. Restricted Net Position

The Town's restricted net position at June 30, 2023 was comprised of the following:

Purpose	Governmental Activities	Business-Type Activities
Pension reserve	\$ 10,635,678	\$ -
Community preservation	4,168,738	-
Recreation	2,283,416	-
PEG Access	1,805,291	-
Gifts and donations	1,735,252	-
Education	284,007	-
General government	1,195,511	-
Public safety	135,904	-
Solid waste	430,707	-
Affordable housing	1,124,475	-
Cemetery	373,232	-
Receipts reserved for appropriation	591,663	-
Parking	303,078	-
Grants and other statutory restrictions	1,738,375	-
Permanent funds	8,850,986	-
Sewer debt	-	452,603
Pension	-	558,803
Sewer capital	-	4,748,792
Electric capital	-	7,488,870
Total	\$ <u>35,656,313</u>	\$ <u>13,249,068</u>

27. Consolidation of Pension and OPEB Trust Funds

The Concord Contributory Retirement System and the Concord OPEB Trust Fund are presented in a single column on pages 36 and 37 because separate financial reports on both trusts were not issued. Details of the financial position and changes in net position are as follows:

	Net Position		
	Pension Trust Fund <u>(As of December 31, 2022)</u>	OPEB Trust Fund	Pension and OPEB Trust Fund
Assets			
Cash and short-term investments	\$ 2,823,741	\$ -	\$ 2,823,741
Investments:			
Collective investment trust fund	-	32,978,187	32,978,187
Pooled alternative investments	45,786,624	-	45,786,624
Pooled investments	105,509,687	-	105,509,687
State investment pool (PRIT)	50,901,793	-	50,901,793
Receivables	<u>6,238</u>	<u>-</u>	<u>6,238</u>
Total Assets	205,028,083	32,978,187	238,006,270
Liabilities			
Warrants and accounts payable	<u>141,096</u>	<u>-</u>	<u>141,096</u>
Net Position			
Restricted for pension	204,886,987	-	204,886,987
Restricted for OPEB	<u>-</u>	<u>32,978,187</u>	<u>32,978,187</u>
Total Net Position	<u>\$ 204,886,987</u>	<u>\$ 32,978,187</u>	<u>\$ 237,865,174</u>

Change in Net Position

	Pension Trust Fund <u>(As of December 31, 2022)</u>	OPEB Trust Fund	Pension and OPEB Trust Fund
Additions			
Contributions:			
Employer	\$ 6,674,082	\$ 3,907,441	\$ 10,581,523
Plan members	5,418,966	-	5,418,966
Other systems and Commonwealth of Massachusetts	652,359	-	652,359
Other	<u>620</u>	<u>-</u>	<u>620</u>
Total Contributions	12,746,027	3,907,441	16,653,468
Investment Income (Loss):			
Increase (decrease) in fair value of investments	(26,221,342)	3,782,368	(22,438,974)
Less: management fees	<u>(1,190,426)</u>	<u>-</u>	<u>(1,190,426)</u>
Net Investment Income (Loss)	<u>(27,411,768)</u>	<u>3,782,368</u>	<u>(23,629,400)</u>
Total Additions	(14,665,741)	7,689,809	(6,975,932)
Deductions			
Benefit payments to plan members and beneficiaries	12,474,391	2,439,590	14,913,981
Refunds to plan members	359,536	-	359,536
Transfers to other systems	1,433,770	-	1,433,770
Administrative expenses	<u>422,936</u>	<u>-</u>	<u>422,936</u>
Total Deductions	<u>14,690,633</u>	<u>2,439,590</u>	<u>17,130,223</u>
Change in Net Position	(29,356,374)	5,250,219	(24,106,155)
Net position restricted for Pension and OPEB			
Beginning of year	<u>234,243,361</u>	<u>27,727,968</u>	<u>261,971,329</u>
End of year	<u>\$ 204,886,987</u>	<u>\$ 32,978,187</u>	<u>\$ 237,865,174</u>

28. Deferred Compensation

The Town also offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457(b) through the International City/County Management Association's (ICMA) Retirement Corporation. The plan permits full-time employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, or death. The Town has no liability for losses under the plan, but does have the duty of care that would be required of an ordinary prudent investor for safeguarding purposes only. The investments are self-directed by employees. There were no employer contributions to the 457 Plan for fiscal year ending June 30, 2023.

29. Concord Contributory Retirement System

The Town follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68), with respect to employees' retirement funds.

The Light Plant's net Pension liability and related deferrals are reported as of December 31, 2022 and are based on the Town's June 30, 2022 actuarial valuation

therefore a timing difference exists between these note disclosures and our Statement of Net Position. The actuarial assumptions used in the June 30, 2022 valuation are the same as our 2023 valuation with the exception of the mortality assumption, which used scale MP-2021 in fiscal year 2023 from scale MP-2020 in fiscal year 2022.

All the following pension disclosures are based on a measurement date of June 30, 2023.

Plan Description

Substantially all employees of the Town (except teachers and administrators under contract employed by the School Department) are members of the Concord Contributory Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The System provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System’s standalone audited financial statements that are publicly available from the System located at 2250 Main Street, Concord, MA 01742.

Participant Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of Massachusetts General Laws. The employee’s individual contribution percentage is determined by their date of entry into the System. In addition, all employees hired on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

Before January 1, 1975	5.00%
January 1, 1975 - December 31, 1983	7.00%
January 1, 1984 - June 30, 1996	8.00%
Beginning July 1, 1996	9.00%

For those members entering the System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Participant Retirement Benefits

A retirement allowance consists of two parts: an annuity and a pension. A member’s accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest 5-year average annual rate of regular compensation for those first becoming members of the System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are 4 classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

Methods of Payment

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member’s death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member—provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree’s beneficiary or beneficiaries of choice.
- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member’s designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or “pops up” to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable “pops up” to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Employer Contributions

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The Town’s contribution to the System for the year ended June 30, 2023 was \$5,871,857, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the System and additions to/deductions from the

System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pensions

At June 30, 2023, the Town reported a liability of \$24,001,249 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 and rolled forward to December 31, 2022. 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 employers, actuarially determined. At June 30, 2023, the Town's proportion was 76.68%, which was a change of (0.26%) from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Town recognized pension expense of \$7,573,700. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 574,307	\$ (4,118,166)
Changes of assumptions	3,482,083	(7,040)
Net difference between projected and actual investment earnings on pension plan investments	13,111,563	-
Changes in proportion and differences between contributions and proportionate share of contributions	<u>495,799</u>	<u>(300,752)</u>
Total	<u>\$ 17,663,752</u>	<u>\$ (4,425,958)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as increases (decreases) in pension expense as follows:

<u>Year ended June 30:</u>	
2024	\$ 648,104
2025	2,400,303
2026	3,695,682
2027	<u>6,493,705</u>
Total	\$ <u>13,237,794</u>

Actuarial Assumptions

The total pension liability (asset) in the latest actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2022
Actuarial cost method	Entry age normal
Remaining amortization period	6 years from January 1, 2022
Inflation	2.60%
Salary increases:	
Groups 1 and 2	2.50% for 10 years
Fire	4.70% for 3 years
Police	5.20% in year 1, 5.60% in year 2, 7.30% in year 3, 5.00% in year 4, 4.80% in year 5, and 2.00 in year 6
Investment rate of return	6.50%

Mortality rates were based on the following:

Pre-retirement and beneficiary mortality:	RP-2014 Healthy Employee Mortality table adjusted to 2006 and projected generationally using scale MP-2021 (gender distinct)
Mortality for retired members:	RP-2014 Healthy Annuitant table adjusted to 2006 and projected generationally using scale MP-2021 (gender distinct)
Mortality for disabled members:	RP-2014 Healthy Annuitant table adjusted to 2006 and projected generationally using scale MP-2021 (gender distinct), ages set forward 2 years

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of the most recent actuarial experience study.

Target Allocations

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity:	32-42%	
U.S. equity		4.39%
International equity		4.19%
Emerging equity		6.82%
Core fixed income:	12-18%	
Core bonds		2.05%
Short-term fixed income		1.17%
Treasury STRIPS		1.66%
TIPS/ILBs		1.46%
Value-added fixed income	5-11%	5.07%
Private equity	13-19%	7.41%
Real estate	7-13%	3.02%
Timberland	1-7%	4.29%
Portfolio completion (PCS)	7-13%	3.80%

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.50%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Town’s proportionate share of the net pension liability (asset) 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 one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
\$ 57,778,442	\$ 31,299,223 *	\$ 8,985,077

*Will not agree with net pension liability (asset) in financial statements as Light Plant pension liability (asset) reported as of December 31, 2022.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the System’s separately issued financial report.

30. Massachusetts Teachers’ Retirement System (MTRS)

Plan Description

The Massachusetts Teachers’ Retirement System (the MTRS) is a public employee retirement system (PERS) that administers a cost-sharing, multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25* (GASB 67). The MTRS is managed by the Commonwealth of Massachusetts on behalf of municipal teachers and municipal teacher retirees. The Commonwealth of Massachusetts is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth of Massachusetts’ reporting entity and does not issue a stand-alone audited financial report.

Management of the MTRS is vested in the Massachusetts Teachers’ Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

Benefits Provided

The MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member’s highest 3-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last 5 years or any 5 consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member’s age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS’ funding policies have been established by Chapter 32 of MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Contributions

Member contributions for the MTRS vary depending on the most recent date of membership:

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 to 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

In addition, members who join the MTRS on or after April 2, 2012 will have their withholding rates reduced to 8% for those participating in retirement, otherwise the withholdings are

reduced to 6% plus 2% on earnings over \$30,000 a year after achieving 30 years of creditable service.

Actuarial Assumptions

The net pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of January 1, 2022 rolled forward to June 30, 2022. This valuation used the following assumptions:

- (a) 2.50% inflation rate, (b) 7.00% investment rate of return, (c) 3.50% interest rate credited to the annuity savings fund and (d) 3.00% cost of living increase on the first \$13,000 per year.
- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-retirement mortality from 2012 – 2020.
- Mortality rates were as follows:
 - Pre-retirement – reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
 - Post-retirement – reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
 - Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).

Target Allocations

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. 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 rates of return 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 rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each

major asset class included in the PRIT Fund's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	38.00%	4.20%
Core fixed income	15.00%	0.50%
Private equity	15.00%	7.30%
Portfolio completion strategies	10.00%	2.70%
Real estate	10.00%	3.30%
Value added fixed income	8.00%	3.70%
Timber/natural resources	4.00%	3.90%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth of Massachusetts' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (in thousands):

1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
\$ 23,734,080	\$ 25,888,138	\$ 2,094,302

Special Funding Situation

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarial determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board Statement No. 68, *Accounting*

and Financial Reporting for Pensions (GASB 68) and the Commonwealth of Massachusetts is a nonemployer contributing entity in the MTRS. Since the employers do not contribute directly to the MTRS, there is no net pension liability to recognize for each employer.

Town Proportions

In fiscal year 2022 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability was \$82,157,442 based on a proportionate share of 0.317356%. As required by GASB 68, the Town has recognized its portion of the Commonwealth of Massachusetts' contribution of \$6,679,078 as both a revenue and expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and its portion of the collective pension expense of \$6,758,251 as both a revenue and expense on the Statement of Activities.

31. Other Post-Employment Benefits (GASB 74 and GASB 75)

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2010, the Town established a single employer defined benefit OPEB Trust Fund to provide funding for future employee health care costs. The OPEB Trust Fund does not issue a stand-alone financial report.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The OPEB disclosures noted below are inclusive of the entire Town with a reporting date of June 30, 2023.

The Light Plant's net OPEB liability and related deferrals are reported as of December 31, 2022 and are based on the Town's June 30, 2022 actuarial valuation; therefore, a timing difference exists between these note disclosures and our Statement of Net Position. The actuarial assumptions used in the June 30, 2022 valuation are the same as our fiscal year 2023 valuation.

All the following OPEB disclosures are based on a measurement date of June 30, 2023.

General Information about the OPEB Plan

Plan Description

The Town provides post-employment healthcare benefits for retired employees through the Town’s single-employer defined benefit OPEB plan. The Town provides health insurance coverage through a variety of commercially available plans. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of Massachusetts General Laws.

Benefits Provided

The Town provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

Plan Membership

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	372
Active employees	<u>733</u>
Total	<u><u>1,105</u></u>

Funding Policy

The Town’s funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on actuarially determined amounts.

Investments

At June 30, 2023 the OPEB Trust Fund’s assets were solely comprised of investments in collective investment trust funds.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 13.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested throughout the year.

Actuarial Assumptions and Other Inputs

The net OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	CPI-U of 2.50% per year
Actuarial cost method	Entry age normal
Salary increases:	4.00% ultimate rate, reduced to 3.50% while receiving the following steps:
Police	5.20% in year one, 5.60% in year two, 7.30% in year three, 5.00% in year four, 4.80% in year five
Fire	4.70% for 3 years
All other employees	4.30% for 7 years
Discount rate	7.00% (previously 6.75%)
Healthcare cost trend rates	8.00% to 9.00% fluctuating annually to an ultimate rate of 5.00%
Retirees' share of benefit-related costs	Range of 37.00% to 50.00%
Participation rate	65.00% of eligible employees. Medicare-eligible retirees as assumed to elect a Medicare plan option at age 65

Mortality rates were based on:

- Actives: The Pub-2010 Headcount-weighted Mortality Tables, sex-distinct, for employees projected using generational mortality and scale MP-2021.
- Retirees: The Pub-2010 Headcount-weighted Mortality Tables, sex-distinct, for Healthy Retirees projected using generational mortality and scale MP-2021.
- Disabled: The Pub-2010 Headcount-weighted Mortality Tables, sex-distinct, for Healthy Retirees projected using generational mortality and scale MP-2021. Set forward 2 years.

Target Allocations

The long-term expected rate of return on OPEB 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 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 geometric real rates of

return for each major asset class included in the 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>
Domestic stock	60.20%	5.00%
Foreign stock	17.00%	5.60%
Domestic bond	12.50%	2.20%
Foreign bond	1.20%	2.40%
Convertible	0.20%	4.00%
Cash	3.80%	0.00%
Portfolio completion	<u>5.10%</u>	0.00%
Total	<u>100.00%</u>	

Contributions

In addition to the implicit subsidy contribution, the Town’s policy is to contribute the actuarially determined contribution or amounts provided annually by the budget.

Discount Rate

The discount rate used to measure the net OPEB liability was 7.00% and was based on the 20-year Municipal General Obligation bonds as shown in the Bond Buyer 20 Bond Index. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2023, were as follows:

Total OPEB liability	\$ 53,828,525
Plan fiduciary net position	<u>(32,978,187)</u>
Net OPEB liability	<u>\$ 20,850,338</u>
Plan fiduciary net position as a percentage of the total OPEB liability	61.27%

The following is a reconciliation of the Net OPEB liability to the Statement of Net Position:

Net OPEB liability	\$ 20,850,338
Amount attributed to Electric Fund	(1,117,579)
Electric Fund net OPEB liability measured as of June 30, 2022	<u>2,129,201</u>
Net OPEB liability on Statement of Net Position	<u>\$ 21,861,960</u>

The fiduciary net position has been determined on the same basis used by the OPEB plan. For this purpose, the plan recognizes benefit payments when due and payable.

Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability for the past year:

	Increase (Decrease)		
	Total OPEB Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net OPEB Liability <u>(a) - (b)</u>
Balances, beginning of year	\$ 51,151,522	\$ 27,727,968	\$ 23,423,554
Changes for the year:			
Service cost	1,591,624	-	1,591,624
Interest	3,477,826	-	3,477,826
Contributions - employer	-	3,907,441	(3,907,441)
Net investment income	-	3,782,368	(3,782,368)
Differences between expected and actual experience	1,436,225	-	1,436,225
Changes in assumptions	(1,389,082)	-	(1,389,082)
Benefit payments	<u>(2,439,590)</u>	<u>(2,439,590)</u>	<u>-</u>
Net Changes	<u>2,677,003</u>	<u>5,250,219</u>	<u>(2,573,216)</u>
Balances, end of year	<u>\$ 53,828,525</u>	<u>\$ 32,978,187</u>	<u>\$ 20,850,338</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
\$ 27,506,577	\$ 20,850,338	\$ 15,347,001

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
\$ 14,563,218	\$ 20,850,338	\$ 28,619,775

OPEB Expense and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to OPEB

For the year ended June 30, 2023, the Town recognized an OPEB expense of \$1,231,109. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources described below:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,389,506	\$ (6,046,849)
Changes of assumptions	722,092	(3,190,173)
Net difference between projected and actual investment earnings on OPEB plan investments	-	(16,951)
Changes in proportion and differences between contributions and proportionate share of contributions	<u>2,501,292</u>	<u>(2,501,292)</u>
Total	<u>\$ 4,612,890</u>	<u>\$ (11,755,265)</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as increases (decreases) in OPEB expense as follows:

<u>Year Ended June 30:</u>	
2024	\$ (1,954,376)
2025	(2,277,599)
2026	(1,446,259)
2027	(1,476,209)
2028	7,015
Thereafter	<u>5,053</u>
Total	\$ <u>(7,142,375)</u>

32. Participation in Massachusetts Municipal Wholesale Electric Company

The Town of Concord, acting through the Concord Municipal Light Plant, is a participant in the New York Power Administration Niagara Project (NYPA) which is administered through the Massachusetts Municipal Wholesale Electric Company (MMWEC).

MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts, created as a means to develop a bulk power supply for its members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance electric facilities.

The Power Purchase Agreement with MMWEC for NYPA requires that each Project Participant pay its pro rata share of MMWEC’s costs related to the Project in addition to its share of capacity, energy, transmission and working capital funding.

The Light Plant is a 2.120% entitlement holder in the Massachusetts allocation of the NYPA firm and peaking energy. The contracts are for the life of the units and the 2022 average energy price for the NYPA is \$0.00492/kWh.

33. Renewable Energy Certificates

In 2003, the Massachusetts Department of Energy and Environmental Affairs adopted the Massachusetts Renewable Energy Portfolio Standard (RPS), a regulation that requires Investor Owned Utilities (IOUs) to purchase mandated amounts of energy generated by renewable resources (Green Energy) as a percentage of their overall electricity sales. The Massachusetts RPS applies only to IOUs, so the Light Plant is currently exempt from this mandate.

Energy suppliers meet their annual RPS obligations by acquiring a sufficient quantity of RPS-qualified renewable energy certificates (RECs) that are created and recorded at the New England Power Pool (NEPOOL) Generation Information System (GIS). Suppliers can purchase RECs from electricity generators or from other utilities that have acquired RECs.

The Light Plant currently has a 15-year contract for the purchase of wind power from Spruce Mountain in Maine. As part of the contract they are given RECs and they are subsequently sold to offset the power costs.

Information regarding the Light Plant’s fiscal year ending December 31, 2022 REC balances is as follows:

<u>REC Holdings at December 31, 2022</u>		
	<u>Banked</u>	<u>Estimated</u>
	<u>Certificates</u>	<u>Value</u>
MA Class I	\$ 91,231	\$ 3,390,644

A banked REC is a REC that has been processed by the NEPOOL GIS Coordinator and is in the Plant’s GIS account.

Because there is no formal accounting guidance under GAAP or IFRS for RECs and the Light Plant does not have a formal policy for the future disposition of RECs, the estimated fair value of the Light Plant’s REC holdings at December 31, 2022 is not recognized as an asset on the proprietary funds Statement of Net Position.

34. Commitments and Contingencies

Outstanding Legal Issues

On an ongoing basis, there are typically pending legal issues in which the Town is involved. The Town’s management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Abatements

There are several cases pending before the Appellate Tax Board in regard to alleged discrepancies in property assessments. According to the Town’s counsel, the probable outcome of these cases at the present time is indeterminable.

Encumbrances

At year-end the Town’s General Fund had \$1,584,661 in encumbrances that will be honored in the next fiscal year.

35. Beginning Fund Balance Reclassification

The beginning (July 1, 2022) fund balance of the Town has been reclassified as follows:

	Federal Grants Fund	Nonmajor Governmental Funds
As previously reported	\$ -	\$ 19,878,446
Reclassify major fund	<u>(997,422)</u>	<u>997,422</u>
As reclassified	<u><u>\$ (997,422)</u></u>	<u><u>\$ 20,875,868</u></u>

36. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 100, *Accounting Changes and Error Corrections* (an amendment of GASB Statement No. 62), effective for the Town for fiscal year ending June 30, 2024. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections. Management is currently evaluating the impact of implementing this GASB pronouncement.

TOWN OF CONCORD, MASSACHUSETTS

Required Supplementary Information
General Fund

Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) – Budget and Actual
For the Year Ended June 30, 2023
(Unaudited)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Property taxes	\$ 104,124,699	\$ 104,124,699	\$ 104,762,690	\$ 637,991
Excise taxes	4,810,000	4,810,000	4,954,992	144,992
Penalties, interest and other taxes	195,000	195,000	310,359	115,359
Departmental	1,335,250	1,335,250	1,632,570	297,320
Licenses and permits	1,270,000	1,270,000	1,860,359	590,359
Fines and forfeitures	50,000	50,000	54,135	4,135
Intergovernmental	6,190,214	6,190,214	6,271,160	80,946
Investment income	400,000	400,000	1,814,898	1,414,898
Other	145,000	145,000	167,175	22,175
Total Revenues	118,520,163	118,520,163	121,828,338	3,308,175
Expenditures				
General government	5,848,903	8,577,896	8,290,784	287,112
Finance and administration	3,870,265	4,316,253	4,154,332	161,921
Public safety	11,127,463	12,284,617	12,284,119	498
Education	43,010,486	43,291,164	43,188,236	102,928
Regional school assessments	26,470,900	26,470,900	26,470,900	-
Public works and facilities	4,567,600	5,379,080	5,196,807	182,273
Snow and ice	650,000	652,863	652,372	491
Human services	3,536,271	3,742,838	3,741,545	1,293
Unclassified	1,334,543	1,021,477	187,477	834,000
Employee benefits	13,833,284	13,833,607	13,759,752	73,855
Debt service	8,084,999	8,084,999	8,044,157	40,842
Intergovernmental	527,120	527,120	534,147	(7,027)
Total Expenditures	122,861,834	128,182,814	126,504,628	1,678,186
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,341,671)	(9,662,651)	(4,676,290)	4,986,361
Other Financing Sources (Uses)				
Transfers in	2,591,671	2,591,671	2,684,879	93,208
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	-
Use of free cash:				
For middle school stabilization	500,000	500,000	-	(500,000)
For affordable housing	500,000	500,000	-	(500,000)
To reduce the tax levy	1,600,000	1,600,000	-	(1,600,000)
Use of overlay surplus	1,150,000	1,150,000	-	(1,150,000)
Use of prior year carryforwards	-	2,373,592	2,373,592	-
Use of prior year articles	-	2,947,388	2,947,388	-
Total Other Financing Sources (Uses)	4,341,671	9,662,651	6,005,859	(3,656,792)
Overall Budgetary Excess	\$ -	\$ -	\$ 1,329,569	\$ 1,329,569

See Independent Auditors' Report and Notes to Required Supplementary Information.

**Notes to Required Supplementary Information
for General Fund Budget**

Budgetary Basis

The General Fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the General Fund is based upon accounting principles that differ from GAAP. Therefore, in addition to the GAAP basis financial statements, the results of operations of the General Fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues, expenditures and other financing sources (uses) to conform to the budgetary basis of accounting.

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
GAAP Basis	\$ 129,899,114	\$ 126,639,798	\$ (169,424)
To record the use of prior year appropriation carryforwards	-	-	5,320,980
To add end-of-year appropriation carryforwards to expenditures	-	4,749,443	-
To reverse the effect of non-budgeted State contributions for teachers retirement	(6,679,078)	(6,679,078)	-
To reverse sewer debt service subsidy	-	97,914	97,914
To reclassify indirect costs reimbursements to enterprise fund	-	2,236,379	2,236,379
To reclassify transfers budgeted within expenditure groups	-	1,130,902	1,130,902
To reverse the effect of combining stabilization accounts with the General Fund	<u>(1,391,698)</u>	<u>(1,670,730)</u>	<u>(2,610,892)</u>
Budgetary Basis	<u>\$ 121,828,338</u>	<u>126,504,628</u>	<u>6,005,859</u>

TOWN OF CONCORD, MASSACHUSETTS

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
(Unaudited)

Concord Contributory Retirement System - Town Portion (excluding Concord Municipal Light Plant)

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2023	December 31, 2022	76.68%	\$ 24,001,249	\$ 30,202,832	79.47%	86.75%
June 30, 2022	December 31, 2021	76.94%	(4,155,373)	30,524,233	-13.61%	102.36%
June 30, 2021	December 31, 2020	77.01%	8,872,683	28,729,982	30.88%	94.60%
June 30, 2020	December 31, 2019	73.65%	17,941,188	25,878,605	69.33%	88.35%
June 30, 2019	December 31, 2018	75.88%	27,713,340	25,740,671	107.66%	81.34%
June 30, 2018	December 31, 2017	79.55%	13,763,171	26,468,641	52.00%	90.58%
June 30, 2017	December 31, 2016	91.00%	25,158,499	24,561,225	102.43%	81.85%
June 30, 2016	December 31, 2015	93.85%	25,035,056	24,933,238	100.41%	80.73%
June 30, 2015	December 31, 2014	100.00%	13,872,529	23,546,350	58.92%	88.04%

Concord Contributory Retirement System - Concord Municipal Light Plant Portion

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
December 31, 2022	December 31, 2021	10.35%	\$ (558,803)	\$ 4,104,812	-13.61%	102.36%
December 31, 2021	December 31, 2020	10.10%	1,164,249	3,769,869	30.88%	94.59%
December 31, 2020	December 31, 2019	12.72%	3,097,827	4,468,346	69.33%	88.35%
December 31, 2019	December 31, 2018	10.10%	3,687,216	3,424,758	107.66%	81.34%
December 31, 2018	December 31, 2017	6.34%	1,097,567	2,109,619	52.03%	90.58%
December 31, 2017	December 31, 2016	16.11%	2,643,809	2,583,283	102.34%	81.85%
December 31, 2016	December 31, 2015	9.00%	2,487,542	2,647,220	93.97%	80.73%
December 31, 2015	December 31, 2014	6.15%	1,639,399	2,783,014	58.91%	88.04%

Massachusetts Teachers' Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town	Total Net Pension Liability Associated with the Town	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2023	June 30, 2022	0.317356%	\$ -	\$ 82,157,442	\$ 82,157,442	\$ 26,121,610	\$ -	57.75%
June 30, 2022	June 30, 2021	0.320106%	-	72,686,122	72,686,122	24,827,383	-	62.03%
June 30, 2021	June 30, 2020	0.322699%	-	92,113,881	92,113,881	24,450,151	-	50.67%
June 30, 2020	June 30, 2019	0.310842%	-	78,375,790	78,375,790	21,107,627	-	53.95%
June 30, 2019	June 30, 2018	0.307846%	-	72,994,178	72,994,178	20,904,184	-	54.84%
June 30, 2018	June 30, 2017	0.305777%	-	69,978,374	69,978,374	20,763,689	-	54.25%
June 30, 2017	June 30, 2016	0.296945%	-	66,390,702	66,390,702	19,532,018	-	52.73%
June 30, 2016	June 30, 2015	0.296429%	-	60,737,174	60,737,174	18,790,302	-	55.38%
June 30, 2015	June 30, 2014	0.297613%	-	47,309,570	47,309,570	18,248,123	-	61.64%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report

TOWN OF CONCORD, MASSACHUSETTS

Required Supplementary Information
Schedule of Pension Contributions
(Unaudited)

Concord Contributory Retirement System

Fiscal <u>Year</u>	Measurement <u>Date</u>	Actuarially Determined <u>Contribution</u>	Contributions in Relation to the		Covered <u>Payroll</u>	Contributions as a Percentage of <u>Covered Payroll</u>
			Actuarially Determined <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>		
June 30, 2023	December 31, 2022	\$ 5,117,900	\$ (5,117,900)	\$ -	\$ 30,655,874	16.69%
June 30, 2022	December 31, 2021	4,956,503	(4,956,503)	-	30,982,096	16.00%
June 30, 2021	December 31, 2020	4,960,537	(4,960,537)	-	29,160,932	17.01%
June 30, 2020	December 31, 2019	5,111,075	(5,111,075)	-	26,266,784	19.46%
June 30, 2019	December 31, 2018	4,873,262	(4,873,262)	-	26,126,781	18.65%
June 30, 2018	December 31, 2017	4,703,073	(4,703,073)	-	26,865,670	17.51%
June 30, 2017	December 31, 2016	4,449,269	(4,449,269)	-	24,929,643	17.85%
June 30, 2016	December 31, 2015	3,901,380	(3,901,380)	-	25,307,236	15.42%
June 30, 2015	December 31, 2014	3,467,672	(3,467,672)	-	23,899,545	14.51%

Massachusetts Teachers' Retirement System

Fiscal <u>Year</u>	Measurement <u>Date</u>	Actuarially Determined Contribution Provided by <u>Commonwealth</u>	Contributions in Relation to the		Covered <u>Payroll</u>	Contributions as a Percentage of <u>Covered Payroll</u>
			Actuarially Determined <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>		
June 30, 2023	June 30, 2022	\$ 6,679,078	\$ (6,679,078)	\$ -	\$ 26,121,610	25.57%
June 30, 2022	June 30, 2021	5,597,003	(5,597,003)	-	24,827,383	22.54%
June 30, 2021	June 30, 2020	5,012,910	(5,012,910)	-	24,450,151	20.50%
June 30, 2020	June 30, 2019	4,487,659	(4,487,659)	-	21,107,627	21.26%
June 30, 2019	June 30, 2018	4,047,503	(4,047,503)	-	20,904,184	19.36%
June 30, 2018	June 30, 2017	3,777,927	(3,777,927)	-	20,763,689	18.19%
June 30, 2017	June 30, 2016	3,339,391	(3,339,391)	-	19,532,018	17.10%
June 30, 2016	June 30, 2015	3,029,293	(3,029,293)	-	18,790,302	16.12%
June 30, 2015	June 30, 2014	2,789,760	(2,789,760)	-	18,248,123	15.29%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report

TOWN OF CONCORD, MASSACHUSETTS

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 1,591,624	\$ 1,537,800	\$ 1,751,631	\$ 1,452,286	\$ 1,333,336	\$ 1,315,915	\$ 1,265,303
Interest	3,477,826	3,300,490	3,928,271	3,979,482	3,694,236	3,231,988	3,047,291
Changes of benefit terms	-	-	253,016	-	19,740	-	-
Differences between expected and actual experience	1,436,225	-	(11,259,650)	-	954,765	1,425,318	-
Changes of assumptions	(1,389,082)	-	(3,738,662)	2,124,211	-	2,432,103	-
Benefit payments, including refunds of member contributions	<u>(2,439,590)</u>	<u>(2,090,235)</u>	<u>(2,428,878)</u>	<u>(2,190,734)</u>	<u>(2,182,442)</u>	<u>(1,911,377)</u>	<u>(1,690,388)</u>
Net change in total OPEB liability	2,677,003	2,748,055	(11,494,272)	5,365,245	3,819,635	6,493,947	2,622,206
Total OPEB liability - beginning	<u>51,151,522</u>	<u>48,403,467</u>	<u>59,897,739</u>	<u>54,532,494</u>	<u>50,712,859</u>	<u>44,218,912</u>	<u>41,596,706</u>
Total OPEB liability - ending (a)	53,828,525	51,151,522	48,403,467	59,897,739	54,532,494	50,712,859	44,218,912
Plan Fiduciary Net Position							
Contributions - employer	3,907,441	3,558,086	4,043,878	3,984,422	3,924,542	3,522,377	3,470,388
Net investment income	3,782,368	(3,952,884)	7,309,562	587,284	1,045,755	1,056,360	1,497,472
Benefit payments, including refunds of member contributions	<u>(2,439,590)</u>	<u>(2,090,235)</u>	<u>(2,428,878)</u>	<u>(2,190,734)</u>	<u>(2,182,442)</u>	<u>(1,911,377)</u>	<u>(1,690,388)</u>
Net change in plan fiduciary net position	5,250,219	(2,485,033)	8,924,562	2,380,972	2,787,855	2,667,360	3,277,472
Plan fiduciary net position - beginning	<u>27,727,968</u>	<u>30,213,001</u>	<u>21,288,439</u>	<u>18,907,467</u>	<u>16,119,612</u>	<u>13,452,252</u>	<u>10,174,780</u>
Plan fiduciary net position - ending (b)	<u>32,978,187</u>	<u>27,727,968</u>	<u>30,213,001</u>	<u>21,288,439</u>	<u>18,907,467</u>	<u>16,119,612</u>	<u>13,452,252</u>
Net OPEB liability - ending (a-b)*	<u>\$ 20,850,338</u>	<u>\$ 23,423,554</u>	<u>\$ 18,190,466</u>	<u>\$ 38,609,300</u>	<u>\$ 35,625,027</u>	<u>\$ 34,593,247</u>	<u>\$ 30,766,660</u>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*See reconciliation with the Statement of Net Position on page 91.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Required Supplementary Information
Schedules of the Net OPEB Liability, Contributions, and Investment Returns
(Unaudited)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Schedule of the Net OPEB Liability						
Total OPEB liability	\$ 53,828,525	\$ 51,151,522	\$ 48,403,467	\$ 59,897,739	\$ 54,532,494	\$ 50,712,859
Plan fiduciary net position	<u>(32,978,187)</u>	<u>(27,727,968)</u>	<u>(30,213,001)</u>	<u>(21,288,439)</u>	<u>(18,907,467)</u>	<u>(16,119,612)</u>
Net OPEB liability*	<u>\$ 20,850,338</u>	<u>\$ 23,423,554</u>	<u>\$ 18,190,466</u>	<u>\$ 38,609,300</u>	<u>\$ 35,625,027</u>	<u>\$ 34,593,247</u>
Plan fiduciary net position as a percentage of the total OPEB liability	61.27%	54.21%	62.42%	35.54%	34.67%	31.79%
Covered employee payroll	\$ 64,141,730	\$ 65,729,323	\$ 54,755,888	\$ 56,149,295	\$ 51,130,178	\$ Unavailable
Net OPEB liability as a percentage of covered employee payroll	32.51%	35.64%	33.22%	68.76%	69.68%	Unavailable
Schedule of Contributions						
Actuarially determined contribution	\$ 3,907,000	\$ 3,558,000	\$ 4,280,000	\$ 4,140,000	\$ 3,729,000	\$ 3,589,000
Contributions in relation to the actuarially determined contribution	<u>3,907,441</u>	<u>3,558,086</u>	<u>4,043,878</u>	<u>3,984,422</u>	<u>3,924,542</u>	<u>3,522,377</u>
Contribution deficiency (excess)	<u>\$ (441)</u>	<u>\$ (86)</u>	<u>\$ 236,122</u>	<u>\$ 155,578</u>	<u>\$ (195,542)</u>	<u>\$ 66,623</u>
Schedule of Investment Returns						
Annual money weighted rate of return, net of investment expense	13.30%	-12.64%	32.65%	2.91%	6.16%	7.24%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*See reconciliation with the Statement of Net Position on page 91.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**Combining and Individual Fund
Financial Statements and Schedules**

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

Community Preservation: To account for funds raised by a property tax surcharge that can be used for acquisition and preservation of open space, affordable housing, historic preservation, and recreation.

Parking: To account for funds raised by parking charges and fines, to be used for parking lot maintenance, traffic signalization and traffic and parking control projects.

Cemetery: To account for funds derived from the sale of burial lots and interment fees used to provide support to the cemetery operating budget.

PEG Access: To account for funds derived from the cable television franchise agreement used to operate the Community Television Program.

Receipts Reserved for Appropriation: To account for receipts, which according to Massachusetts General Laws, must be segregated in the treasury and appropriated to be spent for specific purposes.

53G Review: To account for funds associated with the Massachusetts General Laws, Chapter 44, Section 53G.

Miscellaneous Grants and Contributions: To account for various other funds of the Town restricted for particular purposes.

School Lunch: To account for operating revenues and expenses associated with the School Department student lunch program.

Gifts: To account for various gifts to the Town restricted by the donor for particular purposes.

Recreation: To account for funds associated with the Town recreation activities.

Other Revolving: To account for receipts (other than recreation) which may be spent without appropriation for expenditures related to the source of the receipt.

Land Acquisition: To account for funds associated with the Town's land acquisition program.

State Grants: To account for various state grant programs other than Chapter 90.

Highway Grants: To account for the Town's Chapter 90 state grant program.

Solid Waste: To account for funds for use in the operation of the curbside and recycling program.

Sawyer Gift Fund: To account for funds distributed by the Trustees of Town Donations from the Sawyer Trust Gift to be used for specific projects to improve the energy efficiency of municipal buildings.

Other Special Revenue funds: To account for funds appropriated for purposes outside of the aforementioned categories.

PERMANENT FUNDS

Permanent Funds are established to account for certain assets held by the Town in a fiduciary capacity as trustee. Funds are used to report resources that are legally restricted to the extent that only the earning, and not principal, may be used for purposes that benefit the Town or its citizenry.

Permanent Funds are established for the following purposes:

Hapgood Wright Trust Funds: To account for contributions earmarked for the benefit and improvement of the Town or citizens of Concord as well as for the semi-centennial celebration of the incorporation of the Town.

Cemetery Trust Funds: To account for contributions earmarked for the perpetual care and maintenance of cemetery facilities and property.

Other Trust Funds: To account for all contributions including: gifts, donations and bequests for which only earnings on the original trust corpus may be expended to benefit government approved programs, other than those associated with Hapgood Wright and cemetery activities.

TOWN OF CONCORD, MASSACHUSETTS

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	<u>Community Preservation</u>	<u>Parking</u>	<u>Cemetery</u>	<u>PEG Access</u>	<u>Receipts Reserved for Appropriation</u>
Assets					
Cash and short-term investments	\$ 4,180,581	\$ 320,374	\$ 373,232	\$ 1,822,430	\$ 831,664
Investments	-	-	-	-	-
Receivables:					
Property taxes	15,910	-	-	-	-
Departmental	-	-	-	-	381,657
Intergovernmental	-	-	-	-	-
Total Assets	<u>\$ 4,196,491</u>	<u>\$ 320,374</u>	<u>\$ 373,232</u>	<u>\$ 1,822,430</u>	<u>\$ 1,213,321</u>
Liabilities					
Warrants and accounts payable	\$ 10,723	\$ 17,296	\$ -	\$ 16,113	\$ -
Accrued liabilities	1,121	-	-	1,026	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Notes payable	-	-	-	-	240,000
Total Liabilities	11,844	17,296	-	17,139	240,000
Deferred Inflows of Resources					
Unavailable revenues	15,909	-	-	-	381,658
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	4,168,738	303,078	373,232	1,805,291	591,663
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>4,168,738</u>	<u>303,078</u>	<u>373,232</u>	<u>1,805,291</u>	<u>591,663</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 4,196,491</u>	<u>\$ 320,374</u>	<u>\$ 373,232</u>	<u>\$ 1,822,430</u>	<u>\$ 1,213,321</u>

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

(continued)

	Special Revenue Funds				
	53 G Review	Miscellaneous Grants and Contributions	School Lunch	Gifts	Recreation
Assets					
Cash and short-term investments	\$ 3,502	\$ 166,629	\$ 202,378	\$ 1,754,849	\$ 2,457,227
Investments	-	-	-	-	-
Receivables:					
Property taxes	-	-	-	-	-
Departmental	-	-	-	-	-
Intergovernmental	-	-	55,037	-	-
Total Assets	\$ 3,502	\$ 166,629	\$ 257,415	\$ 1,754,849	\$ 2,457,227
Liabilities					
Warrants and accounts payable	\$ 540	\$ 4,143	\$ 51,667	\$ 17,601	\$ 98,352
Accrued liabilities	-	-	-	2,570	75,459
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Notes payable	-	-	-	-	-
Total Liabilities	540	4,143	51,667	20,171	173,811
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	-
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	2,962	162,486	205,748	1,735,252	2,283,416
Committed	-	-	-	-	-
Unassigned	-	-	-	(574)	-
Total Fund Balance	2,962	162,486	205,748	1,734,678	2,283,416
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 3,502	\$ 166,629	\$ 257,415	\$ 1,754,849	\$ 2,457,227

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

(continued)

	Special Revenue Funds			
	<u>Other Revolving</u>	<u>Land Acquisition</u>	<u>State Grants</u>	<u>Highway Grants</u>
Assets				
Cash and short-term investments	\$ 1,040,816	\$ 41,031	\$ 907,144	\$ -
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Departmental	-	-	-	-
Intergovernmental	-	-	467,870	382,485
Total Assets	<u>\$ 1,040,816</u>	<u>\$ 41,031</u>	<u>\$ 1,375,014</u>	<u>\$ 382,485</u>
Liabilities				
Warrants and accounts payable	\$ 41,210	\$ -	\$ 232,786	\$ -
Accrued liabilities	2,666	-	8,415	-
Unearned revenue	5,955	-	-	-
Due to other funds	-	-	-	382,485
Notes payable	-	-	-	-
Total Liabilities	49,831	-	241,201	382,485
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Fund Balance				
Nonspendable	-	-	-	-
Restricted	990,985	-	1,236,278	-
Committed	-	41,031	-	-
Unassigned	-	-	(102,465)	-
Total Fund Balance	<u>990,985</u>	<u>41,031</u>	<u>1,133,813</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,040,816</u>	<u>\$ 41,031</u>	<u>\$ 1,375,014</u>	<u>\$ 382,485</u>

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

(continued)

	Special Revenue Funds			
	Solid <u>Waste</u>	Sawyer Gift <u>Fund</u>	Other Special Revenue <u>Funds</u>	<u>Subtotals</u>
Assets				
Cash and short-term investments	\$ 778,000	\$ 81,432	\$ 1,211,845	\$ 16,173,134
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	15,910
Departmental	-	-	54,160	435,817
Intergovernmental	-	-	10,040	915,432
	<u>\$ 778,000</u>	<u>\$ 81,432</u>	<u>\$ 1,276,045</u>	<u>\$ 17,540,293</u>
Total Assets				
	<u>\$ 778,000</u>	<u>\$ 81,432</u>	<u>\$ 1,276,045</u>	<u>\$ 17,540,293</u>
Liabilities				
Warrants and accounts payable	\$ 5,137	\$ -	\$ 11,397	\$ 506,965
Accrued liabilities	-	-	27,227	118,484
Unearned revenue	342,156	-	-	348,111
Due to other funds	-	-	-	382,485
Notes payable	-	-	-	240,000
	<u>347,293</u>	<u>-</u>	<u>38,624</u>	<u>1,596,045</u>
Total Liabilities				
	347,293	-	38,624	1,596,045
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	397,567
Fund Balance				
Nonspendable	-	-	-	-
Restricted	430,707	81,432	1,296,284	15,667,552
Committed	-	-	-	41,031
Unassigned	-	-	(58,863)	(161,902)
	<u>430,707</u>	<u>81,432</u>	<u>1,237,421</u>	<u>15,546,681</u>
Total Fund Balance				
	<u>430,707</u>	<u>81,432</u>	<u>1,237,421</u>	<u>15,546,681</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 778,000</u>	<u>\$ 81,432</u>	<u>\$ 1,276,045</u>	<u>\$ 17,540,293</u>

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

(continued)

	Permanent Funds			Subtotals	Total Nonmajor Governmental Funds
	Hapgood Wright Trust Funds	Cemetery Trust Funds	Other Trust Funds		
Assets					
Cash and short-term investments	\$ -	\$ -	\$ -	\$ -	\$ 16,173,134
Investments	1,723,149	5,495,274	1,632,563	8,850,986	8,850,986
Receivables:					
Property taxes	-	-	-	-	15,910
Departmental	-	-	-	-	435,817
Intergovernmental	-	-	-	-	915,432
Total Assets	\$ 1,723,149	\$ 5,495,274	\$ 1,632,563	\$ 8,850,986	\$ 26,391,279
Liabilities					
Warrants and accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 506,965
Accrued liabilities	-	-	-	-	118,484
Unearned revenue	-	-	-	-	348,111
Due to other funds	-	-	-	-	382,485
Notes payable	-	-	-	-	240,000
Total Liabilities	-	-	-	-	1,596,045
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	397,567
Fund Balance					
Nonspendable	1,678,293	2,525,125	479,554	4,682,972	4,682,972
Restricted	44,856	2,970,149	1,153,009	4,168,014	19,835,566
Committed	-	-	-	-	41,031
Unassigned	-	-	-	-	(161,902)
Total Fund Balance	1,723,149	5,495,274	1,632,563	8,850,986	24,397,667
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,723,149	\$ 5,495,274	\$ 1,632,563	\$ 8,850,986	\$ 26,391,279

(concluded)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>				
	<u>Community Preservation</u>	<u>Parking</u>	<u>Cemetery</u>	<u>PEG Access</u>	<u>Receipts Reserved for Appropriation</u>
Revenues					
Property taxes	\$ 1,442,062	\$ -	\$ -	\$ -	\$ -
Departmental	-	146,274	100,765	452,527	75,859
Intergovernmental	525,204	-	-	-	4,677
Investment income	110,361	865	1,323	-	-
Contributions	-	-	-	-	-
Miscellaneous	74	-	-	-	-
Total Revenues	2,077,701	147,139	102,088	452,527	80,536
Expenditures					
Current:					
General government	1,631,875	-	-	245,997	-
Public safety	-	181,506	-	-	-
Education	-	-	-	-	-
Public works	-	-	218,955	-	65,690
Health and human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	115,376
Total Expenditures	1,631,875	181,506	218,955	245,997	181,066
Excess (Deficiency) of Revenues Over (Under) Expenditures	445,826	(34,367)	(116,867)	206,530	(100,530)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	300,000
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(87,315)
Total Other Financing Sources (Uses)	-	-	-	-	212,685
Change in Fund Balance	445,826	(34,367)	(116,867)	206,530	112,155
Fund Balances at Beginning of Year, as reclassified	3,722,912	337,445	490,099	1,598,761	479,508
Fund Balances at End of Year	\$ 4,168,738	\$ 303,078	\$ 373,232	\$ 1,805,291	\$ 591,663

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

(continued)

	Special Revenue Funds				
	53 G	Miscellaneous	School	Gifts	Recreation
	<u>Review</u>	<u>Grants and</u> <u>Contributions</u>	<u>Lunch</u>	<u>Gifts</u>	<u>Recreation</u>
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Departmental	10,955	-	161,366	-	2,453,882
Intergovernmental	-	3,000	707,093	-	-
Investment income	-	-	-	-	-
Contributions	-	-	-	554,734	-
Miscellaneous	-	221,911	-	-	8,416
Total Revenues	<u>10,955</u>	<u>224,911</u>	<u>868,459</u>	<u>554,734</u>	<u>2,462,298</u>
Expenditures					
Current:					
General government	3,520	216,963	-	35,651	-
Public safety	-	9,112	-	17,631	-
Education	-	-	874,157	45,356	-
Public works	4,750	-	-	18,867	-
Health and human services	-	-	-	56,242	-
Culture and recreation	-	-	-	91,128	2,174,577
Debt service:					
Principal	-	-	-	-	-
Total Expenditures	<u>8,270</u>	<u>226,075</u>	<u>874,157</u>	<u>264,875</u>	<u>2,174,577</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,685	(1,164)	(5,698)	289,859	287,721
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	-
Transfers in	-	-	-	-	29,399
Transfers out	-	-	-	(29,399)	(56,951)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,399)</u>	<u>(27,552)</u>
Change in Fund Balance	2,685	(1,164)	(5,698)	260,460	260,169
Fund Balances at Beginning of Year, as reclassified	<u>277</u>	<u>163,650</u>	<u>211,446</u>	<u>1,474,218</u>	<u>2,023,247</u>
Fund Balances at End of Year	<u>\$ 2,962</u>	<u>\$ 162,486</u>	<u>\$ 205,748</u>	<u>\$ 1,734,678</u>	<u>\$ 2,283,416</u>

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

(continued)

	Special Revenue Funds			
	<u>Other Revolving</u>	<u>Land Acquisition</u>	<u>State Grants</u>	<u>Highway Grants</u>
Revenues				
Property taxes	\$ -	\$ -	-	\$ -
Departmental	688,867	-	-	-
Intergovernmental	-	-	3,104,280	489,975
Investment income	131,527	602	636	-
Contributions	-	-	2,000	-
Miscellaneous	-	-	-	-
Total Revenues	820,394	602	3,106,916	489,975
Expenditures				
Current:				
General government	437,242	-	330,486	-
Public safety	-	-	84,403	-
Education	178,558	-	1,621,043	-
Public works	39,369	-	414,533	407,934
Health and human services	6,253	-	57,830	-
Culture and recreation	-	-	101,806	-
Debt service:				
Principal	-	-	-	-
Total Expenditures	661,422	-	2,610,101	407,934
Excess (Deficiency) of Revenues Over (Under) Expenditures	158,972	602	496,815	82,041
Other Financing Sources (Uses)				
Issuance of bonds	-	-	-	-
Transfers in	56,951	20,010	82,815	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	56,951	20,010	82,815	-
Change in Fund Balance	215,923	20,612	579,630	82,041
Fund Balances at Beginning of Year, as reclassified	775,062	20,419	554,183	(82,041)
Fund Balances at End of Year	\$ 990,985	\$ 41,031	1,133,813	\$ -

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

(continued)

	Special Revenue Funds			
	Solid	Sawyer Gift	Other	
	<u>Waste</u>	<u>Fund</u>	Special Revenue	<u>Subtotal</u>
			<u>Funds</u>	
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 1,442,062
Departmental	1,525,016	-	362,905	5,978,416
Intergovernmental	-	-	-	4,834,229
Investment income	-	3,176	42,502	290,992
Contributions	-	-	14,863	571,597
Miscellaneous	-	-	-	230,401
	1,525,016	3,176	420,270	13,347,697
Total Revenues				
Expenditures				
Current:				
General government	-	-	34,264	2,935,998
Public safety	-	-	350,184	642,836
Education	-	-	56,495	2,775,609
Public works	1,768,044	-	-	2,938,142
Health and human services	-	-	-	120,325
Culture and recreation	-	-	-	2,367,511
Debt service:				
Principal	-	-	-	115,376
	1,768,044	-	440,943	11,895,797
Total Expenditures				
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(243,028)	3,176	(20,673)	1,451,900
Other Financing Sources (Uses)				
Issuance of bonds	-	-	-	300,000
Transfers in	-	-	500,000	689,175
Transfers out	-	-	-	(173,665)
	-	-	500,000	815,510
Total Other Financing Sources (Uses)				
Change in Fund Balance	(243,028)	3,176	479,327	2,267,410
Fund Balances at Beginning of Year, as reclassified	673,735	78,256	758,094	13,279,271
Fund Balances at End of Year	\$ 430,707	\$ 81,432	\$ 1,237,421	\$ 15,546,681

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

(continued)

	Permanent Funds				Interfund Activity	Total Nonmajor Governmental Funds
	Hapgood Wright Trust Funds	Cemetery Trust Funds	Other Trust Funds	Subtotal		
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,442,062
Departmental	-	-	-	-	-	5,978,416
Intergovernmental	-	-	-	-	-	4,834,229
Investment income	146,916	468,666	139,202	754,784	-	1,045,776
Contributions	-	1,007,670	-	1,007,670	-	1,579,267
Miscellaneous	-	-	-	-	-	230,401
Total Revenues	146,916	1,476,336	139,202	1,762,454	-	15,110,151
Expenditures						
Current:						
General government	-	-	-	-	-	2,935,998
Public safety	-	-	-	-	-	642,836
Education	-	-	-	-	-	2,775,609
Public works	-	463,315	44,750	508,065	-	3,446,207
Health and human services	-	-	-	-	-	120,325
Culture and recreation	-	-	-	-	-	2,367,511
Debt service:						
Principal	-	-	-	-	-	115,376
Total Expenditures	-	463,315	44,750	508,065	-	12,403,862
Excess (Deficiency) of Revenues Over (Under) Expenditures	146,916	1,013,021	94,452	1,254,389	-	2,706,289
Other Financing Sources (Uses)						
Issuance of bonds	-	-	-	-	-	300,000
Transfers in	-	-	-	-	(169,165)	520,010
Transfers out	-	-	-	-	169,165	(4,500)
Total Other Financing Sources (Uses)	-	-	-	-	-	815,510
Change in Fund Balance	146,916	1,013,021	94,452	1,254,389	-	3,521,799
Fund Balances at Beginning of Year, as reclassified	1,576,233	4,482,253	1,538,111	7,596,597	-	20,875,868
Fund Balances at End of Year	\$ 1,723,149	\$ 5,495,274	\$ 1,632,563	\$ 8,850,986	\$ -	\$ 24,397,667

(concluded)

See Independent Auditors' Report.

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See Independent Auditors' Report.

STATISTICAL SECTION

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TOWN OF CONCORD, MASSACHUSETTS

STATISTICAL SECTION

The Town of Concord, Massachusetts annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the service the Town provides and the activities it performs.

TOWN OF CONCORD, MASSACHUSETTS

Net Position By Component
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets.....	\$ 109,255,510	\$ 115,573,285	\$ 119,465,307	\$ 123,049,358	\$ 126,824,881	\$ 129,955,137	\$ 137,831,176	\$ 141,584,970	\$ 145,871,131	\$ 148,219,404
Restricted.....	22,201,498	24,081,526	27,253,854	28,813,943	31,485,750	34,014,122	27,415,762	33,643,634	32,462,001	35,656,313
Unrestricted.....	<u>15,792,659</u>	<u>(779,977)</u>	<u>(3,913,172)</u>	<u>(4,374,251)</u>	<u>(23,507,086)</u>	<u>(31,288,104)</u>	<u>(27,196,596)</u>	<u>(22,218,346)</u>	<u>(16,662,254)</u>	<u>(11,851,149)</u>
Total governmental activities net position.....	<u>\$ 147,249,667</u>	<u>\$ 138,874,834</u>	<u>\$ 142,805,989</u>	<u>\$ 147,489,050</u>	<u>\$ 134,803,545</u>	<u>\$ 132,681,155</u>	<u>\$ 138,050,342</u>	<u>\$ 153,010,258</u>	<u>\$ 161,670,878</u>	<u>\$ 172,024,568</u>
Business-type Activities										
Net Investment in Capital Assets.....	\$ 69,273,602	\$ 67,974,268	\$ 69,265,566	\$ 70,773,189	\$ 69,942,929	\$ 74,530,903	\$ 76,386,313	\$ 78,461,323	\$ 77,420,193	\$ 80,238,493
Restricted.....	6,097,111	6,288,292	8,048,292	8,210,931	9,194,497	10,141,125	9,403,127	10,521,335	11,675,435	13,249,068
Unrestricted.....	<u>22,209,233</u>	<u>24,969,157</u>	<u>25,056,541</u>	<u>26,175,393</u>	<u>28,100,478</u>	<u>23,128,453</u>	<u>23,346,707</u>	<u>19,866,910</u>	<u>23,837,560</u>	<u>24,727,218</u>
Total business-type activities net position.....	<u>\$ 97,579,946</u>	<u>\$ 99,231,717</u>	<u>\$ 102,370,399</u>	<u>\$ 105,159,513</u>	<u>\$ 107,237,904</u>	<u>\$ 107,800,481</u>	<u>\$ 109,136,147</u>	<u>\$ 108,849,568</u>	<u>\$ 112,933,188</u>	<u>\$ 118,214,779</u>
Primary Government										
Net Investment in Capital Assets.....	\$ 178,529,112	\$ 183,547,553	\$ 188,730,873	\$ 193,822,547	\$ 196,767,810	\$ 204,486,040	\$ 214,217,489	\$ 220,046,293	\$ 223,291,324	\$ 228,457,897
Restricted.....	28,298,609	30,369,818	35,302,146	37,024,874	40,680,247	44,155,247	36,818,889	44,164,969	44,137,436	48,905,381
Unrestricted.....	<u>38,001,892</u>	<u>24,189,180</u>	<u>21,143,369</u>	<u>21,801,142</u>	<u>4,593,392</u>	<u>(8,159,651)</u>	<u>(3,849,889)</u>	<u>(2,351,436)</u>	<u>7,175,306</u>	<u>12,876,069</u>
Total primary government net position.....	<u>\$ 244,829,613</u>	<u>\$ 238,106,551</u>	<u>\$ 245,176,388</u>	<u>\$ 252,648,563</u>	<u>\$ 242,041,449</u>	<u>\$ 240,481,636</u>	<u>\$ 247,186,489</u>	<u>\$ 261,859,826</u>	<u>\$ 274,604,066</u>	<u>\$ 290,239,347</u>

Data source: Audited financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government.....	\$ 9,031,843	\$ 8,924,883	\$ 10,287,666	\$ 9,728,064	\$ 10,707,175	\$ 12,674,811	\$ 11,223,043	\$ 11,081,379	\$ 13,506,991	\$ 13,649,724
Public safety.....	12,269,514	12,249,903	13,340,235	13,812,804	13,743,500	13,171,655	13,534,162	15,702,467	13,867,301	16,633,010
Education.....	60,479,426	59,706,056	67,292,487	73,486,773	74,095,597	87,386,000	88,897,377	86,451,803	84,546,199	89,376,096
Public works.....	8,347,235	7,909,352	7,403,929	8,299,744	8,540,608	7,198,400	8,305,162	8,474,136	8,542,958	9,989,296
Health and human services.....	817,470	1,115,805	1,002,832	1,128,053	1,386,178	1,177,405	1,134,270	1,080,451	1,130,641	1,228,319
Culture and recreation.....	5,173,470	5,261,485	5,158,002	5,356,872	5,476,490	5,509,842	4,572,347	4,321,755	4,478,318	6,174,226
Debt service interest.....	1,732,788	1,936,308	1,501,614	1,151,003	1,085,432	1,060,841	1,220,931	837,001	797,493	1,292,629
Total governmental activities expenses.....	97,851,746	97,103,792	105,986,765	112,963,313	115,034,980	128,178,954	128,887,292	127,948,992	126,869,901	138,343,300
Business-type activities:										
Water services.....	2,861,140	2,962,045	3,616,926	3,742,710	3,893,747	4,137,746	4,317,326	4,152,298	4,691,517	4,868,211
Sewer services.....	3,263,977	2,968,131	3,094,077	3,179,970	3,204,450	3,175,035	2,584,124	2,705,548	2,765,779	2,690,313
Electric services.....	23,276,147	24,901,305	24,369,833	24,374,169	26,636,787	29,303,857	29,505,206	29,811,770	31,170,275	34,800,086
Swim & fitness services.....	2,227,881	2,159,452	2,257,461	2,519,792	2,196,064	2,271,822	2,082,519	1,688,895	1,848,715	2,041,905
Total business-type activities expenses.....	31,629,145	32,990,933	33,338,297	33,816,641	35,931,048	38,888,460	38,489,175	38,358,511	40,476,286	44,400,515
Total primary government expenses.....	\$ 129,480,891	\$ 130,094,725	\$ 139,325,062	\$ 146,779,954	\$ 150,966,028	\$ 167,067,414	\$ 167,376,467	\$ 166,307,503	\$ 167,346,187	\$ 182,743,815
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 678,726	\$ 1,121,995	\$ 1,187,123	\$ 1,517,350	\$ 1,574,191	\$ 1,340,787	\$ 1,040,018	\$ 999,046	\$ 1,324,423	\$ 1,502,635
Public safety.....	2,339,235	2,205,210	2,776,059	2,270,532	2,706,311	2,359,563	2,130,251	2,230,558	2,868,415	3,119,180
Education.....	572,792	722,613	599,205	652,760	619,649	670,852	446,120	118,646	298,269	424,646
Public works.....	1,552,351	1,604,826	1,606,568	1,774,423	1,623,571	1,898,876	1,729,168	2,502,481	2,421,308	1,786,048
Health and human services.....	13,113	11,226	47,119	41,858	48,188	59,145	52,677	11,231	188,002	226,041
Culture and recreation.....	1,886,241	1,960,377	1,837,054	2,045,304	2,017,296	2,181,668	1,485,434	1,807,437	2,267,535	2,491,660
Operating grants and contributions.....	9,450,635	9,095,653	11,154,020	14,192,343	14,818,523	14,916,691	17,070,719	20,352,707	17,118,682	19,425,411
Capital grants and contributions.....	736,587	475,579	778,865	409,548	122,765	339,623	5,879,245	2,588,847	615,169	489,975
Total government activities program revenues	17,229,680	17,197,479	19,986,013	22,904,118	23,530,494	23,767,205	29,833,632	30,610,953	27,101,803	29,465,596
Business-type activities:										
Charges for services:										
Water services.....	4,654,206	4,945,876	5,986,690	5,183,792	6,027,556	5,282,073	5,653,326	5,950,771	6,097,247	7,197,398
Sewer services.....	3,048,386	2,934,142	4,081,575	3,200,834	3,128,492	3,303,266	2,659,874	2,752,777	2,807,234	2,759,602
Electric services.....	25,844,375	26,378,663	26,216,645	26,176,369	27,507,990	29,791,221	29,279,315	27,963,382	32,658,336	36,026,204
Swim & fitness services.....	2,450,179	2,283,710	2,318,465	2,336,245	2,288,021	2,265,975	1,826,971	1,271,496	2,278,673	2,341,534
Capital grants and contributions.....	-	-	-	-	-	-	294,624	290,068	212,538	255,159
Total business-type activities revenues.....	35,997,146	36,542,391	38,603,375	36,897,240	38,952,059	40,642,535	39,714,110	38,228,494	44,054,028	48,579,897
Total primary government revenues.....	\$ 53,226,826	\$ 53,739,870	\$ 58,589,388	\$ 59,801,358	\$ 62,482,553	\$ 64,409,740	\$ 69,547,742	\$ 68,839,447	\$ 71,155,831	\$ 78,045,493
Net (Expense)/Revenue										
Governmental activities.....	\$ (80,622,066)	\$ (79,906,313)	\$ (86,000,752)	\$ (90,059,195)	\$ (91,504,486)	\$ (104,411,749)	\$ (99,053,660)	\$ (97,338,039)	\$ (99,768,098)	\$ (108,877,704)
Business-type activities.....	4,368,001	3,551,458	5,265,078	3,080,599	3,021,011	1,754,075	1,224,935	(130,017)	3,577,742	4,179,382
Total primary government net (expense).....	\$ (76,254,065)	\$ (76,354,855)	\$ (80,735,674)	\$ (86,978,596)	\$ (88,483,475)	\$ (102,657,674)	\$ (97,828,725)	\$ (97,468,056)	\$ (96,190,356)	\$ (104,698,322)

(continued)

TOWN OF CONCORD, MASSACHUSETTS

Changes in Net Position
Last Ten Fiscal Years

(continued)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes.....	\$ 74,951,202	\$ 78,146,251	\$ 82,097,807	\$ 85,197,537	\$ 88,647,131	\$ 92,186,587	\$ 96,143,142	\$ 99,312,581	\$ 101,753,975	\$ 106,683,474
Excises.....	3,664,054	3,834,787	3,834,002	3,989,592	4,368,793	4,741,682	4,198,030	3,832,688	4,406,391	5,021,560
Penalties, interest, and other taxes.....	437,946	459,477	460,027	185,145	557,462	654,478	374,557	890,928	213,855	303,614
Grants and contributions not restricted to specific programs.....	2,006,422	1,497,441	1,724,579	1,701,809	1,790,059	1,882,390	1,950,177	2,016,339	2,105,207	2,233,912
Investment income (loss).....	1,997,613	570,090	296,328	2,115,562	1,938,082	1,659,746	152,866	5,132,856	(656,333)	4,252,372
Other income.....	1,833,517	263,927	567,722	553,155	115,656	244,071	237,690	236,489	253,917	390,376
Transfers.....	2,109,466	2,167,558	951,442	999,456	863,842	920,405	1,366,385	785,316	351,706	346,086
Total government activities.....	87,000,220	86,939,531	89,931,907	94,742,256	98,281,025	102,289,359	104,422,847	112,207,197	108,428,718	119,231,394
Business-type activities:										
Investment income.....	64,637	63,340	117,816	284,876	373,020	633,205	642,922	162,380	478,468	940,464
Other income.....	2,100,013	265,664	31,738	-	-	46,142	81,629	289,966	379,116	359,831
Transfers.....	(1,364,919)	(1,402,741)	(558,961)	(576,361)	(516,488)	(551,633)	(613,820)	(608,908)	(351,706)	(198,086)
Total business-type activities.....	799,731	(1,073,737)	(409,407)	(291,485)	(143,468)	127,714	110,731	(156,562)	505,878	1,102,209
Total primary government.....	\$ 87,799,951	\$ 85,865,794	\$ 89,522,500	\$ 94,450,771	\$ 98,137,557	\$ 102,417,073	\$ 104,533,578	\$ 112,050,635	\$ 108,934,596	\$ 120,333,603
Changes in Net Position										
Governmental activities.....	\$ 6,378,154	\$ 7,033,218	\$ 3,931,155	\$ 4,683,061	\$ 6,776,539	\$ (2,122,390)	\$ 5,369,187	\$ 14,869,158	\$ 8,660,620	\$ 10,353,690
Business-type activities.....	5,167,732	2,477,721	4,855,671	2,789,114	2,877,543	1,881,789	1,335,666	(286,579)	4,083,620	5,281,591
Total primary government changes in net position	\$ 11,545,886	\$ 9,510,939	\$ 8,786,826	\$ 7,472,175	\$ 9,654,082	\$ (240,601)	\$ 6,704,853	\$ 14,582,579	\$ 12,744,240	\$ 15,635,281

(concluded)

Data source: Audited financial statements

TOWN OF CONCORD, MASSACHUSETTS
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Restricted	\$ 4,657,702	\$ 10,291,652	\$ 9,824,326	\$ 10,025,132	\$ 10,323,885	\$ 10,433,176	\$ 9,560,385	\$ 12,320,090	\$ 10,938,339	\$ 10,635,678
Committed	6,987,412	7,582,438	4,444,871	7,170,438	5,218,845	5,398,582	7,547,167	8,185,985	9,458,137	11,806,934
Assigned	4,408,403	5,167,430	6,385,454	6,614,824	7,879,697	7,475,897	7,825,457	6,879,001	3,968,392	2,584,661
Unassigned	<u>12,314,090</u>	<u>12,366,243</u>	<u>14,749,208</u>	<u>11,636,159</u>	<u>13,011,996</u>	<u>13,799,801</u>	<u>9,901,111</u>	<u>10,801,060</u>	<u>10,557,920</u>	<u>12,985,407</u>
Total general fund	\$ <u>28,367,607</u>	\$ <u>35,407,763</u>	\$ <u>35,403,859</u>	\$ <u>35,446,553</u>	\$ <u>36,434,423</u>	\$ <u>37,107,456</u>	\$ <u>34,834,120</u>	\$ <u>38,186,136</u>	\$ <u>34,922,788</u>	\$ <u>38,012,680</u>
All Other Governmental Funds										
Nonspendable	\$ 5,613,555	\$ 4,929,898	\$ 4,972,345	\$ 3,361,368	\$ 3,397,005	\$ 3,394,804	\$ 3,489,243	\$ 3,970,378	\$ 3,995,127	\$ 4,682,972
Restricted	16,677,943	9,679,731	12,866,613	15,427,443	17,752,252	16,791,338	20,874,725	26,145,113	36,527,702	85,780,442
Committed	-	-	925,000	7,296	12,607	25,440	24,146	24,191	20,419	41,031
Unassigned	<u>-</u>	<u>(99,827)</u>	<u>(145,306)</u>	<u>(1,167,148)</u>	<u>-</u>	<u>(11,428)</u>	<u>(1,324,662)</u>	<u>(1,728,316)</u>	<u>(1,672,248)</u>	<u>(1,157,899)</u>
Total all other governmental funds	\$ <u>22,291,498</u>	\$ <u>14,509,802</u>	\$ <u>18,618,652</u>	\$ <u>17,628,959</u>	\$ <u>21,161,864</u>	\$ <u>20,200,154</u>	\$ <u>23,063,452</u>	\$ <u>28,411,366</u>	\$ <u>38,871,000</u>	\$ <u>89,346,546</u>

Data Source: Audited Financial statements

TOWN OF CONCORD, MASSACHUSETTS

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes.....	\$ 75,015,595	\$ 78,450,905	\$ 82,338,693	\$ 85,017,924	\$ 88,966,866	\$ 92,281,096	\$ 95,791,567	\$ 99,584,978	\$ 101,910,937	\$ 106,204,752
Excises.....	3,741,866	3,826,437	3,837,781	3,971,709	4,373,063	4,735,799	4,095,496	3,863,524	4,408,625	4,954,992
Penalties, interest and other taxes.....	437,946	459,477	249,066	185,145	268,010	418,843	380,828	879,712	202,515	310,359
Departmental.....	5,671,503	6,541,560	6,423,619	6,932,149	6,955,041	7,076,741	5,959,277	6,554,447	7,412,829	7,610,986
Licenses and permits.....	1,260,434	1,034,287	1,517,571	1,130,870	1,602,574	1,363,162	1,162,079	1,256,908	1,567,700	1,860,359
Fines & forfeitures.....	148,074	128,779	153,052	124,549	89,696	90,979	78,974	54,424	65,619	54,135
Intergovernmental.....	12,158,075	7,527,366	8,269,067	15,285,008	12,846,006	13,383,354	19,094,500	18,006,165	19,092,738	20,490,858
Investment income (loss).....	1,997,613	570,090	296,328	2,115,562	1,938,082	1,659,746	192,363	5,132,856	(656,333)	4,252,372
Contributions.....	583,711	433,446	195,673	372,116	288,046	527,990	628,558	437,236	669,474	1,579,267
Other.....	934,199	615,687	1,166,070	500,706	207,923	122,031	77,163	236,489	246,717	397,576
Total revenue	101,949,016	99,588,034	104,446,920	115,635,738	117,535,307	121,659,741	127,460,805	136,006,739	134,920,821	147,715,656
Expenditures										
General Government.....	8,574,820	7,913,850	8,036,658	11,383,429	11,191,445	13,023,595	9,978,294	10,028,422	17,048,980	19,508,415
Public Safety.....	9,479,072	9,464,706	9,360,713	10,267,296	10,715,555	10,299,245	11,460,433	13,804,776	13,013,180	12,538,831
Education.....	56,164,681	53,158,540	57,507,446	67,620,872	65,072,860	69,934,588	72,597,490	72,917,316	79,088,540	80,360,720
Public Works.....	7,231,519	8,014,910	6,963,346	7,861,118	8,495,449	8,714,350	14,184,857	10,212,317	9,663,118	9,270,353
Health and Human Services.....	525,216	887,361	586,105	708,249	1,048,255	883,522	851,837	865,084	989,608	967,621
Culture and Recreation.....	3,852,466	4,072,453	3,875,259	4,044,068	4,336,787	4,654,538	4,177,029	3,605,043	4,869,221	5,223,563
Employee Benefits.....	10,030,943	10,088,531	10,939,128	11,712,436	12,357,121	13,260,976	13,986,857	14,626,441	13,475,718	14,216,730
Intergovernmental.....	432,414	476,551	492,837	487,356	479,643	517,486	529,768	498,329	528,153	514,452
Debt service:										
Principal.....	6,280,204	9,751,214	6,316,519	6,466,780	5,953,024	5,863,068	5,967,796	6,021,336	6,155,831	6,488,376
Interest.....	1,732,788	1,743,008	1,501,614	1,307,867	1,168,825	1,301,796	1,254,207	1,497,331	1,314,419	1,573,243
Total expenditures	104,304,123	105,571,124	105,579,625	121,859,471	120,818,964	128,453,164	134,988,568	134,076,395	146,146,768	150,662,304
Excess (Deficiency) of revenues over/(under) expenditures	(2,355,107)	(5,983,090)	(1,132,705)	(6,223,733)	(3,283,657)	(6,793,423)	(7,527,763)	1,930,344	(11,225,947)	(2,946,648)
Other Financing Sources (Uses)										
Issuance of bonds.....	3,985,000	3,022,457	4,250,000	3,893,000	6,035,000	4,805,000	5,590,490	3,883,500	16,558,000	54,900,000
Issuance of refunding bonds.....	-	4,560,000	3,541,800	5,389,000	-	-	5,170,000	-	-	-
Payments to refunded bond escrow agent.....	-	(4,810,754)	(3,967,948)	(5,960,625)	-	-	(6,207,988)	-	-	-
Premiums on issuance of bonds.....	339,823	302,289	462,357	955,903	759,475	779,341	1,787,793	721,500	1,512,527	1,266,000
Issuance of loans.....	-	-	-	-	146,115	-	411,045	269,408	-	-
Transfers in.....	2,681,462	2,649,020	1,998,837	1,130,265	1,045,982	1,272,336	1,693,392	905,219	2,161,197	968,510
Transfers out.....	(571,996)	(481,462)	(1,047,395)	(130,809)	(182,140)	(351,931)	(327,007)	(119,903)	(1,809,491)	(622,424)
Total other financing sources (uses)	6,434,289	5,241,550	5,237,651	5,276,734	7,804,432	6,504,746	8,117,725	5,659,724	18,422,233	56,512,086
Net change in fund balance	\$ 4,079,182	\$ (741,540)	\$ 4,104,946	\$ (946,999)	\$ 4,520,775	\$ (288,677)	\$ 589,962	\$ 7,590,068	\$ 7,196,286	\$ 53,565,438
Debt service as a percentage of noncapital expenditures	8.07%	11.47%	7.75%	6.89%	6.34%	6.05%	5.90%	5.91%	5.58%	5.84%

Data Source: Audited Financial statements

TOWN OF CONCORD, MASSACHUSETTS

Assessed Value ⁽¹⁾ of Taxable Property by Classification
Last Ten Fiscal Years

Fiscal Year	Assessed Value								
	Residential Value	Residential ⁽¹⁾ Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial ⁽¹⁾ Tax Rate	Total Town Value	
2014	\$ 4,646,613,799	\$ 14.45	\$ 411,116,033	\$ 26,044,900	\$ 46,718,930	\$ 483,879,863	\$ 14.45	\$ 5,130,493,662	
2015	4,925,995,175	14.29	411,733,207	27,724,000	46,846,180	486,303,387	14.29	5,412,298,562	
2016	5,339,204,392	13.92	428,233,033	23,865,400	50,586,470	502,684,903	13.92	5,841,889,295	
2017	5,470,440,285	14.07	429,475,137	21,616,900	52,184,080	503,276,117	14.07	5,973,716,402	
2018	5,623,508,756	14.29	444,876,674	27,268,900	48,996,270	521,141,844	14.29	6,144,650,600	
2019	5,923,488,031	14.19	448,415,526	26,439,500	48,690,460	523,545,486	14.19	6,447,033,517	
2020	6,141,398,117	14.23	468,225,858	26,619,200	49,007,950	543,853,008	14.23	6,685,251,125	
2021	6,127,758,265	14.72	466,024,405	26,575,200	50,149,780	542,749,385	14.72	6,670,507,650	
2022	6,273,795,195	14.76	467,433,969	26,535,600	59,116,970	553,086,539	14.76	6,826,881,734	
2023	7,489,250,433	12.96	503,892,992	27,620,404	64,759,520	596,272,916	12.96	8,085,523,349	

Source: Board of Assessors, Town of Concord

⁽¹⁾There is no separate rate for overlapping governments.

TOWN OF CONCORD, MASSACHUSETTS

Principal Taxpayers
Current Year and Nine Years Ago

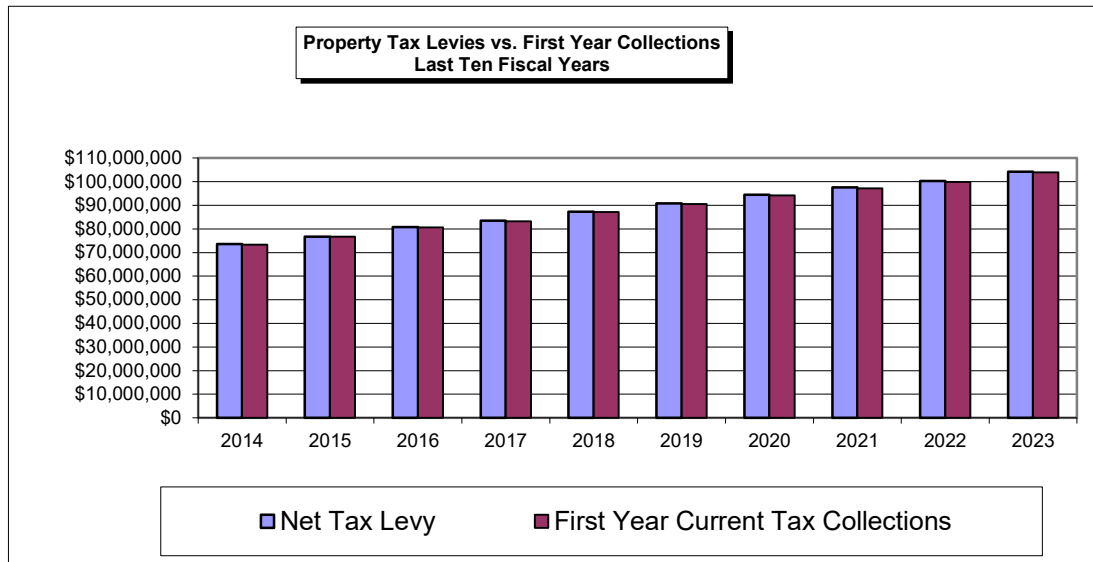
Name	Nature of Business	2023			2014		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Concord Mews, MA, LLC	Apartments	\$ 90,983,200	1	1.13%	\$ -	-	-
CD211 Property LLC	R&D / Office	66,921,700	2	0.83%	-	-	-
New England Deaconess Assoc.	Continuing Care	68,332,100	3	0.85%	60,736,200	3	1.18%
Brookside Square Owner LLC	Residential / Retail	27,302,500	4	0.34%	-	-	-
Larue H. Renfro, Trustee	Residential / Agriculture	21,872,625	5	0.27%	19,329,990	5	0.38%
Period Realty Trust LLC	Apartments / Retail / Office	20,646,500	6	0.26%	14,790,500	7	0.29%
Warner Woods LLC	Apartments	19,377,200	7	0.24%	14,243,500	8	0.28%
SNH Concord LLC	Medical	14,503,100	8	0.18%	-	-	-
Virginia Road LLC	R&D / Office	13,999,000	9	0.17%	17,034,900	6	0.33%
AWMW LLC	Residential	16,619,900	10	0.21%	-	-	-
VOA Concord Assisted Living Inc.	Assisted Living Residential	-	-	-	-	-	-
CIP / MCRT Longview	Apartments	-	-	-	68,472,000	1	1.33%
Normandy Concord Acquisition LLC	R&D / Office	-	-	-	61,197,200	2	1.19%
Charlene B. Engelhard	Residential / Agriculture	-	-	-	19,792,300	4	0.39%
696 Virginia Road LLC	R&D / Office	-	-	-	14,128,400	9	0.28%
Oasis Three Concord Farms LLC	Residential	-	-	-	9,000,000	10	0.18%
		<u>\$ 360,557,825</u>		<u>4.46%</u>	<u>\$ 298,724,990</u>		<u>5.82%</u>

Source: Board of Assessors, Town of Concord
FY2023 information sourced from Treasury

TOWN OF CONCORD, MASSACHUSETTS

Property Tax Levies & Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Overlay Reserve for Abatements	Net Tax Levy (Less Overlay)	First Year Current Tax Collections	Percent of Net Levy Collected at FY End	Percent of Net Collected at 6/30/23
2014	\$ 74,138,177	\$ 539,880	\$ 73,598,297	\$ 73,291,149	99.6%	100.0%
2015	\$ 77,341,746	\$ 555,513	\$ 76,786,233	\$ 76,674,367	99.9%	100.0%
2016	\$ 81,319,099	\$ 543,633	\$ 80,775,466	\$ 80,607,430	99.8%	100.0%
2017	\$ 84,050,193	\$ 552,901	\$ 83,497,292	\$ 83,263,740	99.7%	100.0%
2018	\$ 87,807,060	\$ 565,018	\$ 87,242,042	\$ 87,141,833	99.9%	100.0%
2019	\$ 91,291,587	\$ 527,017	\$ 90,764,570	\$ 90,530,416	99.7%	100.0%
2020	\$ 95,040,945	\$ 599,937	\$ 94,441,008	\$ 94,195,255	99.7%	100.0%
2021	\$ 98,128,300	\$ 522,088	\$ 97,606,212	\$ 97,140,430	99.5%	100.0%
2022	\$ 100,762,182	\$ 516,742	\$ 100,245,440	\$ 99,899,242	99.7%	100.0%
2023	\$ 104,609,946	\$ 327,048	\$ 104,282,898	\$ 103,907,130	99.6%	99.6%



Source: Office of the Tax Collector

TOWN OF CONCORD, MASSACHUSETTS

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Assessed Valuation	Governmental Activities Debt			Total Debt	Debt Per Capita	Debt Per Capita as Percentage of Personal Income	Total Debt as Percentage of Assessed Value
				General Obligation Bonds	Loans					
2014	17,567	\$ 67,374	\$ 5,130,493,662	\$ 48,467,197	\$ -	\$ 48,467,197	\$ 2,759	4.10%	0.94%	
2015	17,567	\$ 67,374	\$ 5,412,298,562	\$ 42,088,799	\$ -	\$ 42,088,799	\$ 2,396	3.56%	0.78%	
2016	17,668	\$ 67,846	\$ 5,841,889,295	\$ 40,495,475	\$ -	\$ 40,495,475	\$ 2,292	3.38%	0.69%	
2017	17,668	\$ 68,032	\$ 5,973,716,402	\$ 36,555,595	\$ -	\$ 36,555,595	\$ 2,069	3.04%	0.61%	
2018	17,668	\$ 68,032	\$ 6,144,650,600	\$ 38,898,140	\$ 146,115	\$ 39,044,255	\$ 2,210	3.25%	0.64%	
2019	17,688	\$ 67,846	\$ 6,447,033,517	\$ 38,384,288	\$ 110,528	\$ 38,494,816	\$ 2,176	3.21%	0.60%	
2020	17,688	\$ 67,374	\$ 6,685,251,125	\$ 38,551,715	\$ 395,173	\$ 38,946,888	\$ 2,202	3.27%	0.58%	
2021	18,918	\$ 67,374	\$ 6,670,507,650	\$ 36,632,591	\$ 486,129	\$ 37,118,720	\$ 1,962	2.91%	0.56%	
2022	18,491	\$ 67,846	\$ 6,826,881,734	\$ 47,972,349	\$ 307,595	\$ 48,279,944	\$ 2,611	3.85%	0.71%	
2023	17,954	\$ 92,377	\$ 8,085,523,349	\$ 96,972,997	\$ 163,054	\$ 97,136,051	\$ 5,410	5.86%	1.20%	

Fiscal Year	Business - Type Activities Debt				Total Primary Government			
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	Total Debt Outstanding	Debt Per Capita	Debt Per Capita as Percentage of Personal Income	Total Debt as Percentage of Assessed Value
2014	\$ 4,265,000	\$ 10,471,570	\$ 3,952,315	\$ -	\$ 67,156,082	\$ 3,823	5.67%	1.31%
2015	\$ 3,745,000	\$ 10,055,218	\$ 7,010,000	\$ -	\$ 62,899,017	\$ 3,581	5.31%	1.16%
2016	\$ 3,296,109	\$ 9,174,394	\$ 7,271,340	\$ -	\$ 60,237,318	\$ 3,409	5.03%	1.03%
2017	\$ 3,425,000	\$ 8,353,806	\$ 5,975,000	\$ -	\$ 54,309,401	\$ 3,074	4.52%	0.91%
2018	\$ 3,012,425	\$ 7,530,656	\$ 6,102,836	\$ -	\$ 55,690,172	\$ 3,152	4.63%	0.91%
2019	\$ 2,512,183	\$ 7,002,138	\$ 5,276,668	\$ -	\$ 53,285,805	\$ 3,013	4.44%	0.83%
2020	\$ 2,011,940	\$ 6,095,444	\$ 5,071,661	\$ -	\$ 52,125,933	\$ 2,947	4.37%	0.78%
2021	\$ 4,481,698	\$ 5,172,756	\$ 4,214,503	\$ -	\$ 50,987,677	\$ 2,695	4.00%	0.76%
2022	\$ 5,796,106	\$ 4,233,751	\$ 3,516,583	\$ -	\$ 61,826,384	\$ 3,344	4.93%	0.91%
2023	\$ 9,150,364	\$ 3,333,099	\$ 2,886,542	\$ -	\$ 112,506,056	\$ 6,266	6.78%	1.39%

Data source: Massachusetts Division of Career Centers and Division of Unemployment Assistance

Data source: Audited financial statements

TOWN OF CONCORD, MASSACHUSETTS

Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Concord Carlisle Regional School District	\$ 38,290,310	77.41%	\$ 29,640,529 (1)
Minuteman Regional Vocational School District	\$ 97,536,548	6.3%	\$ <u>6,096,034</u> (2)
Subtotal, overlapping debt			\$35,736,563
Town direct debt			<u>\$97,136,051</u>
Total direct and overlapping debt			\$ <u><u>\$132,872,614</u></u>

Data source: Multiple entities including Town Treasurer

⁽¹⁾ Concord's share of the borrowing cost for a new regional high school shared with Carlisle

⁽²⁾ Concord's share of the borrowing cost for a new regional high school shared with 9 other communities

TOWN OF CONCORD, MASSACHUSETTS

Legal Debt Margin Information
Last Ten Fiscal Years

(Amounts in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Equalized Valuation ⁽¹⁾	\$ 5,374,771	\$ 5,540,602	\$ 5,540,602	\$ 5,540,602	\$ 6,238,214	\$ 6,572,448	\$ 6,572,478	\$ 7,134,203	\$ 7,337,636	\$ 7,538,635
Debt Limit - 5% of Equalized Valuation	268,739	277,030	277,030	277,030	311,911	328,622	328,624	356,710	366,882	376,932
Less:										
Total debt applicable to limitation ⁽²⁾	(48,545)	(41,730)	(39,391)	(40,501)	(38,995)	(38,087)	(35,633)	(33,043)	(42,979)	(90,873)
Legal debt margin	\$ 220,194	\$ 235,300	\$ 237,639	\$ 236,529	\$ 272,916	\$ 290,535	\$ 292,991	\$ 323,667	\$ 323,903	\$ 286,059
Total debt applicable to the limit as a percentage of debt limit	18%	15%	14%	15%	13%	12%	11%	9.3%	12%	24%

Data source:

⁽¹⁾MA Bureau of Local Services (DataBank)

⁽²⁾Town of Concord

TOWN OF CONCORD, MASSACHUSETTS

Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population * Estimates	Per Capita Personal ** Income	School *** Enrollment	Unemployment Rate
2014	17,567	\$ 67,374	3,111	3.8%
2015	17,567	\$ 67,374	3,112	3.5%
2016	17,668	\$ 67,846	3,115	3.6%
2017	17,688	\$ 68,032	3,137	N/A
2018	17,688	\$ 68,032	2,859	2.8%
2019	17,688	\$ 67,846	2,847	2.1%
2020	17,688	\$ 67,374	2,790	10.0%
2021	18,918	\$ 67,374	2,795	3.9%
2022	18,491	\$ 67,846	2,734	2.2%
2023	17,954	\$ 92,377	2,734	2.6%

* Source: Federal Census

** Source: Official Statements

*** School enrollment includes Concord Public Schools and Concord-Carlisle Regional H.S. (less Carlisle)

Data source: Massachusetts Division of Career Services

TOWN OF CONCORD, MASSACHUSETTS

Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>Type of Business</u>	<u>2023</u>		<u>2014</u>	
		<u>Number of Employees</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Rank</u>
Emerson Hospital	Health Care	1,000 - 4,999	1	1,000 - 4,999	1
Corrections Department	State Prison	500 - 999	2		
New England Deaconess Association	Elderly Care	250 - 499	3	250 - 499	3
Care One of Concord	Health Care	100 - 249	4		
Caring Companion Home Care	Health Care	100 - 249	5		
Concord Academy	Education	100 - 249	6	100 - 249	6
Draper Lab	Professional Services	100 - 249	7		
Dynasil Corp of America	Professional Services	100 - 249	8		
Hamilton, Brook, Smith & Reynolds	Professional Services	100 - 249	9	100 - 249	7
Middlesex School	Education	100 - 249	10	100 - 249	5
Total Town Employment ⁽¹⁾		8,160		7,947	

Data Source:
Final Official Statements for Town of Concord

Notes:
⁽¹⁾MA Bureau of Local Services (DataBank) / MA Depart. of Unemployment Assistance

TOWN OF CONCORD, MASSACHUSETTS

Government Employees by Function - Full Time Equivalents
Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	38	41	40	42	42	48	53	54	60	53
Public Safety										
Police	45	46	46	45	46	46	47	48	48	48
Fire	40	44	44	44	45	45	49	49	49	49
Total	<u>85</u>	<u>90</u>	<u>90</u>	<u>89</u>	<u>91</u>	<u>91</u>	<u>96</u>	<u>97</u>	<u>97</u>	<u>97</u>
Education	513	515	515	518	519	515	505	515	408	419
Public Works										
Tax Supported	37	37	36	35	36	36	36	34	34	35
Water/Sewer Division	18	16	16	18	21	26	19	19	19	19
Electric/Business Division	35	35	35	40	37	42	44	44	45	45
Total	<u>90</u>	<u>88</u>	<u>87</u>	<u>93</u>	<u>94</u>	<u>104</u>	<u>99</u>	<u>97</u>	<u>98</u>	<u>99</u>
Planning and Human Services										
Planning & Natural Resources	9	9	9	8	9	9	9	10	11	11
Inspections	5	5	5	5	6	6	6	6	5	5
Health	4	4	4	4	4	4	4	4	4	4
Beede Center	26	25	25	25	21	20	20	15	17	19
Recreation	27	26	26	26	19	24	25	30	29	31
Senior & Social Services	9	10	10	8	13	13	13	13	13	13
Total	<u>80</u>	<u>79</u>	<u>79</u>	<u>76</u>	<u>72</u>	<u>76</u>	<u>77</u>	<u>78</u>	<u>79</u>	<u>84</u>
Library	<u>26</u>	<u>27</u>	<u>27</u>	<u>25</u>	<u>28</u>	<u>28</u>	<u>30</u>	<u>28</u>	<u>29</u>	<u>30</u>
Total	<u><u>832</u></u>	<u><u>840</u></u>	<u><u>838</u></u>	<u><u>843</u></u>	<u><u>846</u></u>	<u><u>860</u></u>	<u><u>860</u></u>	<u><u>868</u></u>	<u><u>771</u></u>	<u><u>782</u></u>

Source: Town of Concord Budget Manuals

TOWN OF CONCORD, MASSACHUSETTS

Operating Indicators by Function
Last Ten Fiscal Years ⁽¹⁾

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Finance										
Registered voters	12,674	12,466	13,046	12,752	13,581	13,409	12,949	13,972	13,752	13,642
Taxable property parcels assessed	6,591	6,376	6,634	6,410	6,658	6,678	6,689	6,686	6,684	6,684
Motor vehicles registered	17,001	17,122	16,946	17,358	17,426	17,437	17,076	17,459	16,558	16,456
Police (CY)										
Physical arrests	132	189	196	180	110	134	158	101	99	84
Traffic violations	3,492	2,712	3,462	5,304	5,615	5,806	4,739	4,561	5,511	3,096
Fire and Rescue (CY)										
Total Emergency Responses	3,131	3,466	3,669	3,584	3,629	3,651	3,393	3,611	3,952	3,925
Emergency Responses excluding EMS	1,363	1,577	1,708	1,691	1,694	1,745	1,598	1,542	1,577	1,581
Fires extinguished	48	68	67	49	42	50	43	34	64	36
Emergency medical responses (EMS)	1,768	1,889	1,961	1,893	1,935	1,906	1,795	2,069	2,375	2,344
Code Administration										
Building permits	873	916	1,011	897	972	840	766	1,197	989	982
Estimated construction value in millions (\$)	80	54	68	93	79	68	59	70	90	190
Public Works										
Refuse collected (tons)	2,544	2,574	2,581	2,548	2,637	2,620	2,563	2,648	2,418	2,129
Recycling (tons)	1,760	1,768	1,761	1,716	1,719	1,630	1,616	1,660	1,529	1,438
Community Services - Recreation										
Summer Camp Program Attendance	1,010	1,383	1,065	980	1,059	1,831	715	1,394	1,525	1,727
Childcare Services Attendance	299	290	304	320	346	318	225	205	274	278
Fitness Center Memberships	1,935	1,998	1,892	2,016	2,313	2,130	976	987	1,948	1,472
Public Library										
Volumes in collections:										
Main Street	302,917	312,701	323,199	234,538	240,584	248,989	239,425	223,520	224,228	216,691
Fowler*	42,351	38,805	36,790	36,797	37,028	35,845	35,239	35,239	36,171	38,362
Total volumes borrowed	409,667	414,084	390,131	254,861	277,612	396,959	335,958	269,408	366,819	397,675
Water system (CY)										
Water main breaks	1	6	6	5	4	4	4	4	3	7
Daily average consumption (millions of gallons)	1.98	2.10	2.10	1.81	1.84	1.82	1.97	1.76	1.91	1.78
Peak daily consumption (millions of gallons)	3.82	3.79	3.79	3.04	3.18	3.39	3.85	3.04	3.29	3.13
Sewage System (CY)										
Miles of sewer	34.03	34.03	34.03	34.03	34	34	35	34	34	34.03
Number of house connections	1,834	1,851	1,866	1,869	1,876	1,876	1,901	1,905	1,913	1,927
Electric System (CY)										
Annual energy sales (MWH)*	169,280	172,349	167,649	164,278	172,598	166,077	164,258	161,431	166,824	163,985
Number of meters*	8,476	8,610	8,678	8,237	8,296	8,376	8,489	8,534	8,281	8,335
Overhead lines (miles)	107.95	107.95	107.95	108	107.92	107.92	108.00	108.00	108.00	107.92
Underground lines (miles)	164.15	163.95	164.59	160	164.15	164.15	161.00	161	161	164.623

Data source: Various Town departments

* Calendar year data not available at this time.

* Revised calendar year and fiscal year data per CMLP and Library.

Notes:

⁽¹⁾ Calendar year (CY) ending during the fiscal year

TOWN OF CONCORD, MASSACHUSETTS

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks (cross-staffed with ambulance)	1	1	1	1	1	1	1	1	1	1
Number of pumpers (front-line structural)	2	2	2	2	2	2	2	2	2	2
Number of ambulances (front-line)	2	2	2	2	2	2	2	2	2	2
Public Works										
Miles of streets	107	107	107	107	107	107	108	108	108	108
Miles of storm drains	60	60	60	60	61	61	62	62	62	62
Number of street lights	1,402	1,402	1,402	1,347	1,416	1,423	1,351	1,423	1,424	1,424
Recreation:										
Athletic field acreage**	46	46	46	47	47	47	47	47	47	47
Number of parks**	5	5	5	5	5	5	5	5	5	5
Park acreage	10	10	10	10	10	10	10	10	10	10
Ball Fields	12	12	12	12	12	12	12	12	12	12
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Water system:										
Miles of water mains	132.50	132.50	132.80	133.50	133.60	134.70	135.70	134.70	136.10	136.10
Number of service connections	5,518	5,518	5,554	5,605	5,605	5,623	5,665	5,651	5,690	5,696
Storage capacity in gallons (millions of gallons)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Maximum daily capacity of plant (millions of gallons)	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Number of fire hydrants	1,318	1,318	1,321	1,328	1,328	1,330	1,330	1,351	1,339	1,349
Sewage System:										
Miles of sanitary sewers	34.03	34.03	34.03	34.03	34.03	34.03	34.83	34.03	34.03	34.03
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	1,834	1,834	1,851	1,859	1,869	1,876	1,901	1,905	1,913	1,927

** Revised FY20 data.

Data Source:
Various Town departments

TOWN OF CONCORD, MASSACHUSETTS

MANAGEMENT LETTER

FOR THE YEAR ENDED JUNE 30, 2023

TOWN OF CONCORD, MASSACHUSETTS

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To the Honorable Select Board
Town of Concord, Massachusetts

In planning and performing our audit of the basic financial statements of the Town of Concord, Massachusetts (the Town) as of and for the year ended June 30, 2023, 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, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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

During our audit we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning those matters.

The Town's written responses to our comments and suggestions have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance, including those overseeing the financial reporting process, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

After you have had an opportunity to consider our comments and recommendations, we would be pleased to discuss them with you.

Marcum LLP

Andover, MA
May 29, 2024

TOWN OF CONCORD, MASSACHUSETTS

RECOMMENDATIONS

CURRENT YEAR RECOMMENDATIONS:

1. Implement Budget Reconciliation Process

In fiscal year 2023, the budget reported in the general ledger was the original amount of the Town Meeting warrant article rather than the amount voted. As a result, the budget in the general ledger was overstated by \$176,259.

We recommend that the Town implement a process to reconcile the budget included in the general ledger to the Town Meeting votes. This will ensure the accuracy of the budget and support accurate budget versus actual comparisons.

Management Response:

The Town implemented MUNIS in fiscal year 2024. We will be utilizing the budget module to streamline the entering and balancing of the budget. We will ensure that the budget entered reconciles to the Town Meeting voted budget. We will request certified votes for the budget warrant article from the Town Clerk's office.

2. Include Trust Funds in the Town's General Ledger

The Town is the custodian of numerous trust funds which are not accounted for in the general ledger. As a result, transactions related to these funds (involving over \$10 million in assets) are not subject to the Town's normal internal controls.

We recommend that the Town establish accounts within their chart of accounts to include the trust funds and their activities in the general ledger. This will ensure that all Town activities are maintained in one centralized general ledger.

Management Response:

The Town understands the importance of including all trust funds in the general ledger. The Town Accountant and Deputy Treasurer/Collector worked together to bring over all the trust fund balances to the general ledger in fiscal year 2024. All activity within the trust funds is now recorded on the general ledger.

3. Comply with Massachusetts General Laws (MGL)

In accordance with MGL Chapter 41, Section 56, all bills should be provided to the Town Accountant for review and placement on a warrant to be paid. In fiscal year 2023, it was determined that the School Department provided the Town Accountant with a warrant to

TOWN OF CONCORD, MASSACHUSETTS

RECOMMENDATIONS

be paid, however they did not provide bills to be reviewed in conjunction with the warrant. As a result, the Town is not in compliance with the MGL noted above.

We recommend that the School Department provide bills to the Town Accountant for review with each warrant. This will ensure that the Town is in compliance with MGL.

Management Response:

The Town Accountant will be requiring the School Department to provide all invoices that are placed on the vendor warrant in fiscal year 2025. All invoices will be audited by the Accounting Department prior to the checks being issued. We understand the importance of following Massachusetts General Laws and we will enforce them. We will be working with the schools to develop a process.

4. Prepare for Governmental Accounting Standards Board (GASB) Statement Number 100

The GASB has issued GASB Statement No. 100, *Accounting Changes and Error Corrections (an amendment of GASB Statement No. 62)*, effective for the Town's fiscal year ending June 30, 2024. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections.

We recommend the Town prepare to implement GASB Statement No. 100 by evaluating the impact on its financial statements.

Management Response:

The Town understands the importance of being prepared to implement new GASB statements. We are gathering the information necessary for the implementation of GASB 100. The Town will work towards ensuring that the information provided from our financial management system is both relevant and reliable for financial statements.

5. Update Accounting for Compensated Absences and Prepare for GASB Statement Number 101

The GASB has issued GASB Statement No. 101, *Compensated Absences*, effective for the Town's fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences. The Town currently manually tracks compensated absences at the department level, which is cumbersome and inherently prone to errors.

TOWN OF CONCORD, MASSACHUSETTS

RECOMMENDATIONS

We recommend that the Town look into having compensated absences tracked within MUNIS as part of the transition to MUNIS payroll. An evaluation of GASB 101 should be completed as part of this process.

Management Response:

The Town is in the process of implementing MUNIS payroll for January 2025. It is expected that all accruals will be updated and tracked within MUNIS for fiscal year 2025. By implementing Munis payroll, we will be reducing the number of errors from manually tracking these figures on a spreadsheet.

PRIOR YEAR RECOMMENDATIONS:

6. Improve Reconciliation of Utility Receivables (Significant Deficiency)

The Town implemented a new utility billing system in the spring of 2019. The process of bringing the existing accounts receivable balances to the new system resulted in variances with amounts from the prior system. In addition, the new system does not consistently cut off at month end making the reconciliation process cumbersome. At June 30, 2023, the variances (approximately \$113k and \$129k for sewer and water, respectively) remained unresolved and have continued into fiscal year 2024.

We recommend that the Town continue to work with the software provider to resolve the issues noted and develop formal (documented) reconciliation procedures. The benefits of the reconciliation process are: (1) to provide a means of identifying recurring differences in the way transactions are processed within the accounting system(s), and (2) to ensure that financial statement balances (general ledger) are supported by detail accounts maintained separately.

Management Response:

Current Status – This matter remains unresolved.

The CFO will work with the Public Works Director to address this matter in fiscal year 2025. The Town continues to work on balancing all the utility receivables between Accounting and the Water/ Sewer department. A formal reconciliation process will be established going forward. Variances will be identified and tracked monthly.

TOWN OF CONCORD, MASSACHUSETTS

RECOMMENDATIONS

7. Centralize Lease Accounting

During the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, it was noted that the Town does not have leases centrally maintained and expired leases are still actively receiving payments. As a result, the implementation of GASB 87 was cumbersome and the amounts received/paid by the Town may no longer be appropriate if lease terms have not been updated.

We recommend that the Town consider outsourcing the accounting for leases or at a minimum having all leases be centrally maintained. We further recommend that leases be reviewed at least annually to ensure that terms are current and that amounts being received/paid are in accordance with the leases.

Management Response:

Current Status – This matter remains unresolved.

The Town will look into establishing a lease accounting policy to ensure all material leases are properly identified and all terms are up to date. We will record and maintain all leases on a spreadsheet. Currently, we are looking into lease reporting software.

8. Align the Encumbrance Policy and Practice

The Town's policy regarding carrying forward unspent appropriations at year-end states that the encumbrance shall be for a "specific purpose at some later date". The Town's practice is not aligned with the current policy as the practice has been to encumber certain funds without a specific vendor or purpose. Over time, these unspecified amounts had grown to almost \$2m. In fiscal year 2023, the Town closed out many of the unspecified encumbrances, however approximately \$670k were still on hand at June 30, 2023.

We recommend that the Town review the encumbrance procedures and ensure that the policy and practice are aligned. We understand that the Town is aware of the inconsistency noted above and is in the process of implementing corrective action, which will likely take multiple fiscal years to phase in. We will consider this matter resolved if in subsequent years adherence to the policy is maintained.

Management Response:

Current Status – This matter remains partially resolved.

The Town is in the process of closing out the stagnant balances. The Town continues to develop and update policies and procedures regarding carry over encumbrances. We will have all old encumbrances closed in fiscal year 2025.

TOWN OF CONCORD, MASSACHUSETTS

RECOMMENDATIONS

9. Analyze Withholding Accounts

The Town's general ledger contains certain payroll withholding accounts with credit balances that appear to be growing rather than zeroing out. Another account has a debit balance that has also grown from the prior year.

We continue to recommend that the Town analyze all withholding balances to ensure their accuracy and, if necessary, adjust the general ledger balances accordingly. We further recommend that all withholding accounts be reconciled monthly to supporting documentation including FICA and health insurance contracts.

Management Response:

Current Status – This matter remains partially resolved.

The Town Accountant and Financial Analyst reconcile the withholding accounts monthly. Reconciliations are currently tracked on an excel spreadsheet. All reconciling items are identified and tracked monthly. The Town is still carrying balances from the old withholding accounts. We are analyzing the historical data to address the old variances and hope to have this resolved in fiscal year 2025.

From: [Corduck, Sara](#)
To: [Anthony Ansaldo](#); [Elizabeth Rourke](#)
Subject: Audit comments
Date: Friday, June 7, 2024 12:30:15 PM

Caution: This is an external email and has a suspicious subject or content. Please take care when clicking links or opening attachments. When in doubt, contact the IT Department (support@concordma.gov).

Good Afternoon Anthony and Liz,

I hope you are doing well. I wanted to follow up on the email I just sent with the draft management letter. We included the bigger issues in the management letter, however there were a few smaller issues which were not included that I wanted to pass along as well. Those issues are follows:

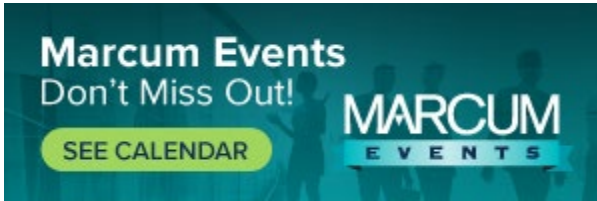
1. Cash was reconciled as of 6/30/23, however we understand that reconciliations for 2024 have not occurred. We recommend that cash reconciliations be performed monthly to ensure that any errors or irregularities are identified and corrected in a timely manner. Bank reconciliations as well as the reconciliation to the GL should also be reviewed by someone not involved in the reconciliation process.
2. We noted one Federal Grant receivable totaling \$85,518 that was recorded netted with expenditures rather than as revenue. As a result the expenditures were not originally included on the Schedule of Expenditures of Federal Awards (SEFA). We recommend that receivables be recorded to revenue accounts and that journal entries are reviewed to ensure that amounts are charged to appropriate accounts.
3. There were numerous inactive Special Revenue and Capital Project Funds. The Town should review these accounts determine appropriate usage of these funds.
4. There is a FY 21 FEMA grant with a deficit of (\$712,110.45). The Town should ensure that all reimbursement requests have been submitted and determine if grant funding will be received to cover this deficit.
5. The Town has a Selectman's account that is used as a Silent Poor account and the activity related to this account is not included in the Town's general ledger. The records are maintained in the Town Managers office. The Town should consider including this account in the general ledger or having a separate entity manage these funds.
6. The Assessor does not maintain an overlay log. As a result, the Town is unable to reconcile the overlay balance in the general ledger to supporting documentation as the general ledger is the only record available. Having a separate reconciliation process helps ensure that all abatements or activity to the overlay account it accounted for.

Please let me know if you have any questions.

Thank you

Sara Corduck
Supervisor
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Merrimack, NH 03054
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Town of Concord
Financial Audit Advisory Committee
AGENDA ACTION REQUEST
August 15, 2024

6

FY22 Town Audit

Discussion on recommendations for summary report to the Select Board

Requested by: FAAC Chair

Action Sought: Determine next steps

Proposed Motion(s)

Discussion dependent

Additional Information

The Town's audit firm Marcum, LLP, presented the findings of the FY22 Town Audit to the FAAC. In the past, the FAAC would coordinate another meeting to complete their duties as defined in the charge of the committee. Unfortunately, with the change in staff in the Town's Finance Department, this meeting did not occur. Prior year Audited Financial Statements can be found on the Town's website <https://www.concordma.gov/304/Audited-Financial-Statements>

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>



Town of Concord
Financial Audit Advisory Committee
AGENDA ACTION REQUEST
August 15, 2024

7

Other Business

Set date for next meeting, other new business

Requested by: FAAC Chair

Action Sought: Schedule Meeting

Proposed Motion(s)

Additional Information

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>