



Town of Concord
Concord Financial Audit Advisory Committee
AGENDA

February 26, 2026, at 1:00 PM
Town House, 22 Monument Sq., 2nd Fl. Select Board Conf. Room.
Notice of public meeting as required by M.G.L. Chpt.30A §18-28

REVISED

HYBRID IN-PERSON AND VIRTUAL MEETING VIA ZOOM

Join the meeting: https://concordma.zoom.us/j/83346566605

Meeting ID: 833 4656 6605 Dial in: 646 558 8656

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.

Table with 2 columns: Time and Agenda Item. Items include: 1:00 PM - Call to Order and Introductions; 1:05 PM - Public Comment; 1:15 PM - Minutes; 1:20 PM - FY24 Audits; 2:15 PM - Review Draft Letter to the Select Board; 2:30 PM - Discussion; 2:25 PM - Other Business; 2:30 PM - Adjournment.



**Town of Concord**  
**Financial Audit Advisory Committee**  
AGENDA ACTION REQUEST  
February 26, 2026

**1**

## Call to Order

Introduction of members, staff and guests

**Requested by: FAAC Chair**

**Action Sought: Open Meeting**

### Proposed Motion(s)

MOVE to call the meeting to order. [roll call if any member is remote]

### Additional Information

Members of the Financial Audit Advisory Committee are:

- Court Booth, At-large member (term exp. 5/31/27)
- Bruce Button, At-large member (term exp. 5/31/26)
- Breht Feigh, At-large member (term exp. 5/31/28)
- Wendy Rovelli, Select Board Representative, Chair FAAC (term exp. 5/31/26)
- Sandeep Pisharody, School Committee Representative (term exp. 5/31/26)
- Bianca Taylor, CMLB Representative (term exp. 5/31/26)
- Brian Waterson, CCRSC Representative (term exp. 5/31/26)

### 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  
February 26, 2026

**3**

## Minutes

Approve the minutes of February 11, 2026

**Requested by: FAAC Chair**

**Action Sought: Approval**

### Proposed Motion(s)

MOVE to approve the minutes from the February 11<sup>th</sup>, 2026 meeting

### Additional Information

Attached is a copy of the minutes of the February 11<sup>th</sup>, 2026 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>

**Town of Concord**  
**Minutes of the February 11, 2026**  
**Financial Audit Advisory Committee Meeting**  
**Hybrid Meeting**

**Members Present**

Wendy Rovelli, Select Board Representative; Sandeep Pisharody (remote), School Committee; Brian Waterson (remote), Concord-Carlisle Regional School Committee Representative; Bianca Taylor, Municipal Light Board; Court Booth, At-Large Member; Bruce Button, At-Large Member; Breht Feigh, At-Large Member

**Others Present**

Kerry Lafleur, Town Manager; Jennifer Barrett, Chief Financial Officer (CFO); Ryan Ferrara, Assistant CFO; Richard Delorey, Town Accountant; Colleen Rhinhart, Deputy Treasurer/Collector; Scott McIntire (remote), CBIZ, External Audit Firm

**1. Call to Order and Introductions**

Select Board Representative Wendy Rovelli called the Financial Audit Advisory Committee meeting to order at 1:07 p.m. Members introduced themselves through roll call.

**2. Public Comment**

Mark Martinez addressed the Committee. He commented on the Town's prior finance challenges, including difficulties with timely reconciliations and litigation involving a former Chief Financial Officer. He emphasized the importance of transparency and expressed hope that the Committee's work would help restore confidence and improve financial practices.

No other public comments were received.

**3. Minutes**

Member Waterson noted a typographical error in item 4, the spelling of his name. Following brief discussion noting that it had been an extended period since the Committee's last meeting, a motion was made to approve the minutes, as amended, of November 6, 2024.

**Vote:**

3 in favor; 4 abstentions. Motion passed.

#### **4. FY24 Town Audit and Management Letter**

Chief Financial Officer Jennifer Barrett introduced herself and provided context for the audit discussion before turning the presentation over to Scott McIntire of CBIZ, who attended remotely. Mr. McIntire provided background on the audit firm, including its recent merger with CBIZ, and reviewed the scope and objectives of the FY24 Town audit. He noted that the audit resulted in an unmodified opinion on the Town's financial statements.

Mr. McIntire summarized the FY24 financial statements, explaining that they present both short-term and long-term perspectives on the Town's financial position. He reviewed relevant accounting standards, including GASB 101 and GASB 103, and explained the importance of GASB 103 given the Concord Municipal Light Plant's differing fiscal year end. He reported strong overall budgetary results, including increased unassigned fund balance attributable to investment earnings and unspent appropriations. Pension liabilities were discussed as being approximately 90 percent funded, while OPEB liabilities were reported at approximately 68 percent funded, with actuarial projections indicating full funding by 2039. In response to a question from Ms. Rovelli, Mr. McIntire confirmed that biennial OPEB valuations are typical practice among municipalities.

Mr. McIntire then reviewed the management letter and discussed four material weaknesses identified during the audit. These included issues related to cash and receivable reconciliations; cut-off and capitalization controls resulting in transactions recorded in incorrect periods; discrepancies between approved budgets and postings within the accounting system; and deficiencies in journal entry controls, including instances in which the same individual acted as both preparer and reviewer during a period of significant staff turnover. He emphasized that the presentation should be considered alongside a full review of the audit report.

Ms. Taylor questioned how an unmodified opinion could be issued in the presence of material weaknesses. Mr. McIntire explained that cash and receivables controls were identified as material because they extended beyond water and sewer and reconciliations were not performed throughout the year. However, all cash and receivables reconciliations and adjustments were completed and reflected in the audited financials resulting in unmodified (e.g.) clean opinion of the financials.

Additional discussion addressed materiality thresholds, investment income that exceeded budgeted expectations, and the impact of higher interest rates on bond proceeds as investment revenue. Mr. McIntire confirmed that there are 3 categories of controls: 1. Control Deficiency (the majority of what has been reported back to 2019), 2. Significant Deficiency (items required to be reported to those charged with governance) and 3.

Material Weakness (items requiring reporting, greater than those of significant deficiency). He noted that the CBIZ practice is to discuss control deficiencies with management while Significant Deficiencies and Material Weaknesses are document in writing. Concerns were raised regarding the recurring audit findings related to timeliness of cash and receivable reconciliations for water and sewer accounts which are maintained in a separate system. In prior years the variances were small and classified as a significant deficiency. Ms. Rovelli noted that the FY24 audit did not provide status on prior written audit items as historically has been the practice. Ms. Rovelli inquired on the FY 23 items to which Mr. McIntire confirmed: All funds from the Trustees of Town Donations are included at fair market value; he continues to advise the Town to consider outsourcing management of leases; and there remains a difference between the policy and practice for encumbrances. In response to a question about the status of the schools providing invoices for the warrant, Mr. Conry confirmed invoices were provided immediately following review of FY23 audit finding.

Town staff acknowledged historical weaknesses and discussed corrective actions that have been implemented or are underway. It was noted that certain cut-off issues may still appear in FY25 due to timing, as FY25 processes were already underway when FY24 audit findings became known. Committee members emphasized the importance of understanding the root causes of the FY24 material weaknesses before turning fully to future corrective strategies.

The Committee expressed a desire to learn more about the root cause issues that contributed to the current findings, specifically about the staffing changes that have occurred within the Finance Department and to provide more background on the migration to MUNIS and reconciliation challenges associated with the utility billing system (NICS). This information can help inform recommendation by the committee. A separate meeting will be scheduled to discuss these items and other information requested related to audit timelines and materials. The committee agreed to defer further discussion of the FY25 audit in order to complete its review of FY24 matters.

#### **5. Audit Review Schedule and Auditor Discussion**

The Committee reviewed the audit schedule for upcoming audits, including the FY24 Concord-Carlisle Regional School District audit, the CY24 Concord Municipal Light Plant audit, and the FY25 Town audit. Staff reported that CBIZ has completed the FY24 CCRSD audit. It was also noted that a new audit firm, Roselli, Clark & Associates, has been engaged for the Town audits under a three-year agreement.

Committee members expressed concern that the selection of a new audit firm occurred without prior discussion by the Committee or the Select Board, noting that the Committee

had not met for more than a year. It was noted that the Committee would evaluate the new auditor following completion of its first audit.

## **6. Other Business**

The Committee discussed the importance of clearly defining its advisory role and ensuring adequate time and information to review corrective actions related to audit findings. Members discussed scheduling additional meetings to revisit progress on addressing material weaknesses and to better understand the Town's systems and organizational structure.

The next meeting was scheduled for February 26, 2026.

## **7. Adjournment**

A motion was made to adjourn the meeting. The meeting was adjourned at 2:58 p.m.



**Town of Concord**  
**Financial Audit Advisory Committee**  
AGENDA ACTION REQUEST  
February 26, 2026

**4**

---

## **FY24 CCRSD Audit & Management Letter**

## **CY24 CMLP Audit & Management Letter**

Presentation of the CCRSD FY24 & CMLP CY24 Audit Results

**Requested by: FAAC Chair**

**Action Sought: Discussion**

### **Proposed Motion(s)**

Discussion dependent

### **Additional Information**

The Town's audit firm of CBIZ (formerly Marcum, LLP, formerly Melanson) will present the results of the FY24 Town audit to the FAAC.

### **Board Action**

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

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**



# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## CONTENTS

---

### FINANCIAL SECTION

<b>Independent Auditors' Report</b> .....	1-3
<b>Management's Discussion and Analysis</b> .....	4-10
<b>Basic Financial Statements</b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position .....	11-12
Statement of Activities.....	13
<b>Fund Financial Statements</b>	
Balance Sheet – Governmental Funds .....	14
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position .....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement of Fiduciary Net Position – Fiduciary Funds.....	18
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	19
<b>Notes to Financial Statements</b> .....	20-55

### REQUIRED SUPPLEMENTARY INFORMATION

#### **Budget and Actual**

Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) – Budget and Actual – General Fund .....	56
Notes to Required Supplementary Information for General Fund Budget.....	57

#### **Pension**

Schedule of Proportionate Share of the Net Pension Liability .....	58
Schedule of Pension Contributions.....	59

#### **OPEB**

Schedule of Changes in the Net OPEB Liability .....	60
Schedules of the Net OPEB Liability and Related Ratios, Contributions, and Investment Returns.....	61

<b>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 <i>Government Auditing Standards</i></b> .....	62-63
--	-------

## **Independent Auditors' Report**

To the Honorable Members of the School Committee  
and Financial Audit Advisory Committee  
**Concord-Carlisle Regional School District**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Concord-Carlisle Regional School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position 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 the 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. We are required to be independent of the District 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 District'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 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 procedure 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 District'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 District'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 GAAS, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2025 on our consideration of the District'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 District's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*CBIZ CPAs P.C.*

Boston, MA  
September 16, 2025

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

---

As management of the Concord-Carlisle Regional School District (the District), we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024 focusing on why amounts changed from the prior year.

### **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 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 reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District'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., earned but unused vacation leave).

#### ***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 District's funds can be divided into two categories: governmental 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 District's near-term financing requirements.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

---

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 District's near-term financing decisions. Reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

### *Fiduciary Funds*

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

### *Notes to Financial Statements*

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

### *Required Supplementary Information (Other Than MD&A)*

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.

### **Financial Highlights**

- As of the close of the current fiscal year, net position in governmental activities was \$36,289,698, a change of \$980,479, as further discussed in the Government-Wide financial analysis.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$4,429,575, a change of \$(1,368,695) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,033,974, a change of \$(65,281) in comparison to the prior year.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

---

### Government-Wide Financial Analysis

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

#### Net Position Summary

	Governmental Activities	
	2024	2023
<b>Assets</b>		
Current and other assets	\$ 8,119,368	\$ 8,609,500
Capital assets, net	<u>83,270,676</u>	<u>85,604,901</u>
<b>Total Assets</b>	<u>91,390,044</u>	<u>94,214,401</u>
<b>Deferred Outflows of Resources</b>	<u>2,125,751</u>	<u>2,558,070</u>
<b>Liabilities</b>		
Long-term liabilities	49,699,460	54,022,438
Other liabilities	<u>3,896,187</u>	<u>3,040,077</u>
<b>Total Liabilities</b>	<u>53,595,647</u>	<u>57,062,515</u>
<b>Deferred Inflows of Resources</b>	<u>3,630,450</u>	<u>4,400,737</u>
<b>Net Position</b>		
Net investment in capital assets	42,928,102	42,879,068
Restricted	2,706,250	2,940,438
Unrestricted	<u>(9,344,654)</u>	<u>(10,510,287)</u>
<b>Total Net Position</b>	<u>\$ 36,289,698</u>	<u>\$ 35,309,219</u>

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At the close of the most recent fiscal year, total net position was \$36,289,698, a change of \$980,479 in comparison to the prior year.

The largest portion of net position, \$42,928,102, reflects our investment in capital assets (e.g., land, construction in process, buildings and improvements, machinery, equipment, and furnishings); less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to the District; 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.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

Other portions of net position include, \$2,706,250, which represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of \$(9,344,654) primarily resulting from the District's 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 years:

### Change in Net Position

	Governmental Activities	
	2024	2023
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,577,469	\$ 1,697,795
Operating grants and contributions	9,038,788	7,983,806
General revenues:		
Assessments to member Towns	33,251,830	32,246,940
Grants and contributions not restricted to specific programs	3,333,653	3,234,994
Investment income	446,444	347,327
Other	223,272	166,076
<b>Total Revenues</b>	<u>47,871,456</u>	<u>45,676,938</u>
<b>Expenses</b>		
Administration	1,748,218	1,632,029
Instruction	24,148,330	23,592,609
Other school services	5,318,270	4,937,095
Operations and maintenance	2,450,904	2,179,454
Fixed charges	8,303,380	7,272,458
Interest	1,076,332	1,174,510
Programs with other districts	3,845,543	3,115,290
<b>Total Expenses</b>	<u>46,890,977</u>	<u>43,903,445</u>
<b>Change in Net Position</b>	980,479	1,773,493
<b>Net Position - Beginning of Year</b>	<u>35,309,219</u>	<u>33,535,726</u>
<b>Net Position - End of Year</b>	<u>\$ 36,289,698</u>	<u>\$ 35,309,219</u>

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

---

### *Governmental Activities*

Governmental activities for the year resulted in a change in net position of \$980,479. Key elements of this change are as follows:

Change in OPEB expense from GASB 75	\$ 1,399,233
Change in pension expense from GASB 68	224,884
Bond premium amortization	223,945
Depreciation expense in excess of debt service principal	(984,459)
Other	<u>116,876</u>
	<u>\$ 980,479</u>

### **Financial Analysis of the District'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 District'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 District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,033,974, while total fund balance was \$3,602,956. 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, as illustrated in the table below:

General Fund	6/30/24	6/30/23	Change	% of Total General Fund Expenditures *
Unassigned fund balance	\$ 2,033,974	\$ 2,099,255	\$ (65,281)	5.30%

\* Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth of Massachusetts to the Massachusetts Teachers Retirement System of \$4,239,415.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2024

---

The total fund balance of the General Fund changed by \$(489,364) during the current fiscal year. Key factors in this change are as follows:

Use of fund balance (E&D) as a funding source	\$ (695,888)
Use of restricted fund balance as a funding source	(92,015)
Revenues in excess of budget	394,858
Expenditures less than budget	80,353
Other	<u>(176,672)</u>
	<u>\$ (489,364)</u>

Included in the total General Fund balance are the District’s stabilization accounts with the following balances:

	6/30/24	6/30/23	Change	Fund Balance Classification
CCHS stabilization	\$ 209,569	\$ 8,886	\$ 200,683	Committed
Technology stabilization	<u>2,202</u>	<u>2,148</u>	<u>54</u>	Committed
	<u>\$ 211,771</u>	<u>\$ 11,034</u>	<u>\$ 200,737</u>	

### *State Grants Fund*

At the close of the current fiscal year, the state grants fund balance was \$1,149,425, a change of \$886 from the previous year. This change is attributable to timing differences between the receipt and disbursement of grant funds.

### *Capital Projects Fund*

At the close of the current fiscal year, the capital projects fund balance was \$(1,262,526), a change of \$(796,973) from the previous year. This change is attributable to project expenditures ramp up during the year that are currently funded by short-term debt.

### *Nonmajor Governmental Funds*

At the close of the current fiscal year, the nonmajor governmental funds balance was \$939,720, a change of \$(83,244). This change is attributable to timing differences between the receipt and disbursement of grant funds.

## **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget in fiscal year 2024 is attributable the use of prior year carryforwards for current year expenditures of \$827,452 as well as the use of additional excess and deficiency of \$395,888.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

---

The General Fund budgetary operations for fiscal year 2024 resulted in a surplus of expenditures and other financing uses over revenues and other financing sources of \$(220,677). The District generated total revenues exceeding those budgeted and less expenditures than budgeted during fiscal year 2024 by \$394,858 and \$80,353, respectively. While the District saw favorable revenue and expenditure budgetary results, when looked at independently, the overall change in the General Fund is softened by the planned (budgeted) use of unassigned fund balance of \$695,888.

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

Total investment in capital assets for governmental activities at year-end amounted to \$83,270,676 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery, equipment, and furnishings.

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

#### ***Long-Term Debt***

At the end of the current fiscal year, total bonded debt outstanding (including unamortized bond premiums) was \$39,080,048 all of which was backed by the full faith and credit of the District.

The District's Aa1 credit rating from Moody's continues to reflect the strength of the District's local economy, manageable leverage, low fixed costs, and stable enrollment trends.

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

### **Requests for Information**

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

Director of Finance and Operations  
Concord-Carlisle Regional School District  
120 Meriam Road  
Concord, Massachusetts 01742

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## STATEMENT OF NET POSITION

JUNE 30, 2024

---

	<u>Governmental Activities</u>
<b>Assets</b>	
Current Assets:	
Cash and short-term investments	\$ 6,653,852
Receivables:	
Departmental and other	7,900
Intergovernmental	1,386,557
Other	<u>71,059</u>
<b>Total Current Assets</b>	<u>8,119,368</u>
Noncurrent Assets:	
Capital assets, depreciable, net	81,964,976
Capital assets, non-depreciable	<u>1,305,700</u>
<b>Total Noncurrent Assets</b>	<u>83,270,676</u>
<b>Total Assets</b>	<u>91,390,044</u>
<b>Deferred Outflows of Resources</b>	
Related to pension	2,106,877
Related to OPEB	<u>18,874</u>
<b>Total Deferred Outflows of Resources</b>	<u>2,125,751</u>

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

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2024

	<u>Governmental Activities</u>
<b>Liabilities</b>	
Current Liabilities:	
Warrants payable	324,902
Accrued payroll and withholdings	2,069,845
Accrued liabilities	206,394
Notes payable	1,269,993
Other current liabilities	25,053
Current portion of long-term liabilities	
Bonds and loans payable	2,930,788
Compensated absences	44,474
<b>Total Current Liabilities</b>	<u>6,871,449</u>
Noncurrent Liabilities:	
Bonds and loans payable, net of current portion	36,149,260
Compensated absences, net of current portion	400,261
Net pension liability	3,135,712
Net OPEB liability	7,038,965
<b>Total Noncurrent Liabilities</b>	<u>46,724,198</u>
<b>Total Liabilities</b>	<u>53,595,647</u>
<b>Deferred Inflows of Resources</b>	
Related to pension	522,705
Related to OPEB	3,107,745
<b>Total Deferred Inflows of Resources</b>	<u>3,630,450</u>
<b>Net Position</b>	
Net investment in capital assets	42,928,102
Restricted for grants and other statutory restrictions	2,706,250
Unrestricted	<u>(9,344,654)</u>
<b>Total Net Position</b>	<u>\$ 36,289,698</u>

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

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED JUNE 30, 2024**

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>				
Administration	\$ 1,748,218	\$ --	\$ --	\$ (1,748,218)
Instruction	24,148,330	909,916	2,936,262	(20,302,152)
Other school services	5,318,270	667,553	1,259,263	(3,391,454)
Operations and maintenance	2,450,904	--	--	(2,450,904)
Fixed charges	8,303,380	--	4,843,263	(3,460,117)
Interest	1,076,332	--	--	(1,076,332)
Programs with other districts	<u>3,845,543</u>	<u>--</u>	<u>--</u>	<u>(3,845,543)</u>
<b>Total Governmental Activities</b>	<u>\$ 46,890,977</u>	<u>\$ 1,577,469</u>	<u>\$ 9,038,788</u>	(36,274,720)
<b>General Revenues</b>				
Assessments to member Towns				33,251,830
Grants and contributions not restricted to specific programs				3,333,653
Investment income				446,444
Other				<u>223,272</u>
<b>Total General Revenues</b>				<u>37,255,199</u>
<b>Change in Net Position</b>				<u>980,479</u>
<b>Net Position</b>				
Beginning of Year				<u>35,309,219</u>
End of Year				<u>\$ 36,289,698</u>

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

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## BALANCE SHEET GOVERNMENTAL FUNDS

**JUNE 30, 2024**

	General Fund	State Grants Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and short-term investments	\$ 5,434,573	\$ 851,989	\$ 7,467	\$ 359,823	\$ 6,653,852
Receivables:					
Departmental and other	2,400	--	--	5,500	7,900
Intergovernmental	474,285	322,047	--	590,225	1,386,557
Other	--	--	--	71,059	71,059
<b>Total Assets</b>	<b>\$ 5,911,258</b>	<b>\$ 1,174,036</b>	<b>\$ 7,467</b>	<b>\$ 1,026,607</b>	<b>\$ 8,119,368</b>
<b>Liabilities</b>					
Warrants payable	\$ 280,352	\$ 1,642	\$ --	\$ 42,908	\$ 324,902
Accrued liabilities	2,002,897	22,969	--	43,979	2,069,845
Notes payable	--	--	1,269,993	--	1,269,993
Other	25,053	--	--	--	25,053
<b>Total Liabilities</b>	<b>2,308,302</b>	<b>24,611</b>	<b>1,269,993</b>	<b>86,887</b>	<b>3,689,793</b>
<b>Fund Balances</b>					
Restricted	607,168	1,158,429	--	940,653	2,706,250
Committed	211,771	--	--	--	211,771
Assigned	750,043	--	--	--	750,043
Unassigned	2,033,974	(9,004)	(1,262,526)	(933)	761,511
<b>Total Fund Balances</b>	<b>3,602,956</b>	<b>1,149,425</b>	<b>(1,262,526)</b>	<b>939,720</b>	<b>4,429,575</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,911,258</b>	<b>\$ 1,174,036</b>	<b>\$ 7,467</b>	<b>\$ 1,026,607</b>	<b>\$ 8,119,368</b>

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

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**IN THE STATEMENT OF NET POSITION**

**JUNE 30, 2024**

---

<b><i>Total Governmental Fund Balances</i></b>	<b>\$ 4,429,575</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	83,270,676
Deferred outflows of resources related to pension to be recognized in pension expense in future periods.	2,106,877
Deferred outflows of resources related to OPEB to be recognized in pension expense in future periods.	18,874
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds.	
Bonds and loans payable	(39,080,048)
Compensated absences liability	(444,735)
Net pension liability	(3,135,712)
Net OPEB liability	(7,038,965)
Deferred inflows of resources related to pension to be recognized in pension expense in future periods.	(522,705)
Deferred inflows of resources related to pension to be recognized in OPEB expense in future periods.	(3,107,745)
In the Statement of Net Position, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	<u>(206,394)</u>
<b><i>Net Position of Governmental Activities</i></b>	<b><u><u>\$ 36,289,698</u></u></b>

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

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

**FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	State Grants Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Assessments to member towns	\$ 33,251,830	\$ --	\$ --	\$ --	\$ 33,251,830
Charges for services	--	--	--	1,577,469	1,577,469
Intergovernmental	8,353,080	2,093,931	--	1,321,582	11,768,593
Investment income	438,232	--	525	7,687	446,444
Other	102,441	--	--	120,831	223,272
<b>Total Revenues</b>	<u>42,145,583</u>	<u>2,093,931</u>	<u>525</u>	<u>3,027,569</u>	<u>47,267,608</u>
<b>Expenditures</b>					
Administration	1,609,308	--	--	30,000	1,639,308
Instruction	19,882,024	277,166	--	1,154,093	21,313,283
Other school services	3,226,322	220,701	--	1,447,777	4,894,800
Operations and maintenance	2,338,207	--	--	80,396	2,418,603
Fixed charges	9,232,747	--	--	53,452	9,286,199
Programs with other districts	1,908,329	1,595,178	--	342,036	3,845,543
Capital outlay	303,494	--	825,775	3,059	1,132,328
Debt service					
Principal	2,783,509	--	--	--	2,783,509
Interest	1,322,730	--	--	--	1,322,730
<b>Total Expenditures</b>	<u>42,606,670</u>	<u>2,093,045</u>	<u>825,775</u>	<u>3,110,813</u>	<u>48,636,303</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(461,087)</u>	<u>886</u>	<u>(825,250)</u>	<u>(83,244)</u>	<u>(1,368,695)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	200,525	--	228,802	--	429,327
Transfers out	(228,802)	--	(200,525)	--	(429,327)
<b>Total Other Financing Sources (Uses)</b>	<u>(28,277)</u>	<u>--</u>	<u>28,277</u>	<u>--</u>	<u>--</u>
<b>Change in Fund Balances</b>	<u>(489,364)</u>	<u>886</u>	<u>(796,973)</u>	<u>(83,244)</u>	<u>(1,368,695)</u>
<b>Fund Balance at Beginning of Year</b>	<u>4,092,320</u>	<u>1,148,539</u>	<u>(465,553)</u>	<u>1,022,964</u>	<u>5,798,270</u>
<b>Fund Balance at End of Year</b>	<u>\$ 3,602,956</u>	<u>\$ 1,149,425</u>	<u>\$ (1,262,526)</u>	<u>\$ 939,720</u>	<u>\$ 4,429,575</u>

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

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

---

*Net Changes in Fund Balances - Total Governmental Funds* \$ (1,368,695)

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:

Capital outlay	1,433,743
Depreciation	(3,767,968)

The issuance of long-term debt (e.g., bonds and loans) 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:

Repayments of general obligation bonds and loans	2,783,509
--	-----------

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.

22,453

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:

Current year amortization of bond premiums	223,945
Change in compensated absences liability	29,375
Change in net pension liability and related deferred amounts	224,884
Change in net OPEB liability and related deferred amounts	<u>1,399,233</u>

<b><i>Change in Net Position of Governmental Activities</i></b>	<b><u><u>\$ 980,479</u></u></b>
---	---------------------------------

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

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**JUNE 30, 2024**

	Private Purpose Trust Fund	OPEB Trust Fund	Custodial Fund
<b>Assets</b>			
Cash and short-term investments	\$ 113,934	\$ --	\$ 297,863
Investments			
Target-risk funds	--	9,957,872	--
Accounts Receivable	--	425,000	--
<b>Total Assets</b>	<u>113,934</u>	<u>10,382,872</u>	<u>297,863</u>
<b>Liabilities</b>			
Warrants payable	--	--	5,353
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>19,757</u>
<b>Net Position</b>			
Restricted for scholarships	113,934	--	--
Restricted for OPEB	--	10,382,872	--
Restricted for student activities	--	--	278,106
<b>Total Net Position</b>	<u>\$ 113,934</u>	<u>\$ 10,382,872</u>	<u>\$ 278,106</u>

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

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2024**

	Private Purpose Trust Fund	OPEB Trust Fund	Custodial Fund
<b>Additions</b>			
Contributions	\$ 24,051	\$ 1,120,136	\$ --
Fees collected for students	--	--	439,674
Investment income	4,380	1,356,282	--
<b>Total Additions</b>	<u>28,431</u>	<u>2,476,418</u>	<u>439,674</u>
<b>Deductions</b>			
Scholarship payments	4,770	--	--
Benefit payments	--	695,136	--
Payments on behalf of students	--	--	430,989
<b>Total Deductions</b>	<u>4,770</u>	<u>695,136</u>	<u>430,989</u>
<b>Change in Net Position</b>	<u>23,661</u>	<u>1,781,282</u>	<u>8,685</u>
<b>Net Position Restricted for OPEB and Other Purposes</b>			
Beginning of Year	<u>90,273</u>	<u>8,601,590</u>	<u>269,421</u>
End of Year	<u>\$ 113,934</u>	<u>\$ 10,382,872</u>	<u>\$ 278,106</u>

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

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Concord-Carlisle Regional School District (the District) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles. The following is a summary of the more significant policies of the District:

#### *REPORTING ENTITY*

The District is a municipal corporation governed by an elected School Committee. As required by generally accepted accounting principles, these financial statements present the District and applicable component units for which the District is considered to be financially accountable. The component unit discussed below is included in the District's reporting entity because of its operational and financial relationship with the District.

#### *Fiduciary Component Unit*

The Concord-Carlisle Regional School District Other Post-Employment Benefits Trust ("OPEB Trust") was established to provide post-retirement welfare benefits to its retirees and their beneficiaries. The OPEB Trust fund is presented using the accrual basis of accounting and is reported in the fiduciary fund financial statements. Additional financial information about the trust can be obtained by contacting the Concord-Carlisle Regional School District located at 120 Meriam Rd., Concord, Massachusetts 01742.

### **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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to the community 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. Member town assessments and other items not properly included among program revenues are reported instead as *general revenues*.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)*

##### *Fund Financial Statements*

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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. 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. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include member town assessments.

##### *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. Revenues from grants, entitlements, and donations are 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 the accrual basis of accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, pension, and OPEB are recorded only when payment is due.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)*

##### *Fund Financial Statements (Continued)*

The District reports the following major governmental funds:

- The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- The *State Grants Fund* is used to account for the District's state grant funds. It accounts for all funds received and expended from state grants.
- The *Capital Projects Fund* is used to account for the District's ongoing capital projects. Specifically, in fiscal year 2024 the District had two ongoing projects: the landfill remediation project and the access road reconstruction project.

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 District reports the following fiduciary funds:

- The *Private-Purpose Trust Fund* is used to account for scholarship arrangements, under which principal and investment income exclusively benefits individuals, private organizations, or other governments.
- The *Other Post-Employment Benefits (OPEB) Trust Fund* is used to accumulate resources for health and life insurance benefits for retired employees.
- The *Custodial Fund* accounts for Student Activity Funds held by the District in a custodial capacity as an agent on behalf of students and are not required to be reported elsewhere on the financial statements.

#### *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 and fiduciary funds segregate cash, and investment earnings become a part of those funds.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *CASH AND INVESTMENTS (CONTINUED)*

Deposits with financial institutions consist primarily of demand deposits and savings accounts. Generally, 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."

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 District 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*, and investments are valued at amortized cost, which approximates the net asset value (NAV) at \$1 per share.

The District's OPEB Trust Fund investments consist of target-risk funds which are carried at NAV.

#### *CAPITAL ASSETS*

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$50,000 and an estimated useful life in excess of four 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.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Vehicles	5
Office equipment	5
Computer equipment	5

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *CAPITAL ASSETS (CONTINUED)*

The District reviews the carrying value of its long-lived assets to ensure that any impairments issues are identified and appropriately reflected in the financial statements. Should the expected undiscounted cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. There was no impairment loss recorded during fiscal year 2024.

#### *COMPENSATED ABSENCES*

It is the District's policy to permit certain 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 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, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

#### *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 District 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:

The following types of fund balances are reported at June 30, 2024:

- *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 set aside in the General Fund for future debt service and various special revenue funds.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FUND EQUITY (CONTINUED)*

##### *Fund Balance (Continued)*

- *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest decision-making authority (School Committee vote). This fund balance classification includes funds set aside in the District's special purpose stabilization accounts\* and the District's funds in the capital projects fund. A similar action is needed to modify or rescind a commitment.
- *Assigned* represents amounts that are constrained by the District's intent to use these resources for a specific purpose. This fund balance classification includes General Fund encumbrances that have been established by various District functions for the expenditure of current year budgetary financial resources in the subsequent budgetary period and surplus set aside to be used in the subsequent year's budget voted by the School Committee.
- *Unassigned* represents amounts that are available to spend in future periods and deficit balances in other governmental funds.

\* *Massachusetts General Law Ch. 40B Section 5 allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires two-thirds vote of the legislative body and must clearly define the purpose of the fund. Generally, any change to the purpose of the fund, along with any additions to or appropriations from the fund, requires a two-thirds vote of the legislative body.*

##### *Net Position*

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net investment in capital assets consists 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 District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *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.

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### *BUDGETARY INFORMATION*

Annually, the School Committee determines the amount to be raised (after deducting the amount of anticipated revenue the District expects to receive) to maintain and operate the District during the next fiscal year. The District then calculates the assessments to each town based on its approved budget and seeks an appropriation in the amount of that assessment from each town's annual town meeting. After assessments are appropriated by each town that are consistent with the School Committee's budget (either its initial budget or a budget revised to be consistent with the town's appropriations), the District Treasurer certifies the assessments to the treasurer of each town.

#### *ASSESSMENTS OF MEMBER TOWNS*

Most capital and operating costs of the District in excess of each Town's net minimum contribution are apportioned to the member Towns on the basis of their respective pupil enrollments in the District on October 1 of the preceding year. Certain costs, such as transportation and debt service, are outside of the net school spending requirements established by the Commonwealth of Massachusetts. These costs are apportioned to the member Towns based on either a percentage or on a member-specific basis. For the year ended June 30, 2024, the assessments were calculated as follows:

	Within the Levy Limit	Excluded Debt Service	Total Assessment
Town of Concord	\$ 22,302,834	\$ 3,055,012	\$ 25,357,846
Town of Carlisle	<u>6,942,949</u>	<u>951,035</u>	<u>7,893,984</u>
	<u>\$ 29,245,783</u>	<u>\$ 4,006,047</u>	<u>\$ 33,251,830</u>

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

#### *DEFICIT FUND EQUITY*

Certain individual funds reflected deficit balances as of June 30, 2024. 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.

### NOTE 3 - DEPOSITS

#### *CUSTODIAL CREDIT RISK*

Custodial credit risk is the risk that in the event of a bank failure, the District may not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Massachusetts General Laws (MGL), Chapter 44, Section 55, limits the District's deposits "in a bank or trust company or banking company to an amount not exceeding 60% of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The District does not have formal policies related to custodial credit risk of deposits.

At June 30, 2024, \$1,011 of the District's bank balances of \$8,467,280 were exposed to custodial credit risk as uninsured and uncollateralized and \$1,708,432 were uninsured and collateralized with securities held by the financial institutions trust department or agent.

### NOTE 4 - INVESTMENTS – OPEB TRUST FUND

#### *OPEB TRUST FUND*

The following is a summary of the District's OPEB trust fund investments as of June 30, 2024:

<u>Investment Type</u>	<u>Amount</u>
Target-risk funds	\$ 9,957,872

#### *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, the District will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District does not have formal investment policies related to custodial credit risk.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 4 - INVESTMENTS – OPEB TRUST FUND (CONTINUED)

#### *CUSTODIAL CREDIT RISK (CONTINUED)*

As of June 30, 2024, the OPEB Trust Fund's total investments of \$9,957,872 were subject to custodial credit risk exposure as the related securities, held in the District's name, were uninsured, unregistered, and/or held by the OPEB Trust Fund's brokerage firm, in the name of the District, which is also the counterparty to these securities.

#### *CREDIT RISK*

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 were purchased using surplus revenues, Massachusetts General Laws, Chapter 44, Section 55, limits the District's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSRO). The District does not have formal investment policies related to credit risk.

As of June 30, 2024, the District's investments of \$9,957,872 in target-risk funds maintained an average rating of AA as rated by Moody's Investors Service.

#### *CONCENTRATION OF CREDIT RISK*

Concentration of credit risk is the risk of loss attributable to the magnitude of the District's investment in a single issuer. The District places no limit on the amount that it may invest in any one issuer. The District does not have formal investment policies related to concentration of credit risk exposure.

As of June 30, 2024, the District did not have investments exposed to concentration of credit risk as any investments exceeding 5% are exempt.

#### *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 District 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, 2024, the District's investments of \$9,957,872 in target-risk funds were exposed to interest rate risk and mature within one year.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 4 - INVESTMENTS – OPEB TRUST FUND (CONTINUED)

#### *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 District does not have formal investment policies related to foreign currency risk. However, the District did not have any investments exposed to foreign currency risk as of June 30, 2024. All investments held at year end are denominated in U.S. dollars.

#### *FAIR VALUE*

The District 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 District's OPEB Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of June 30, 2024, the District's investments of \$9,957,872 in target-risk funds were valued using net asset value (NAV).

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 4 - INVESTMENTS – OPEB TRUST FUND (CONTINUED)

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 classifications.

### NOTE 5 - INTERGOVERNMENTAL RECEIVABLES

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal year 2024.

### NOTE 6 – INTERFUND ACCOUNTS

The District reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various purposes. The following is a schedule of major interfund transfers for the year ended June 30, 2024:

	Transfers In	Transfers Out
General fund	\$ 200,525	\$ (228,802)
Capital projects fund	<u>228,802</u>	<u>(200,525)</u>
	<u>\$ 429,327</u>	<u>\$ (429,327)</u>

The transfer into the General Fund was for funds being returned due to the completion of a project that came in under budget. The transfer out of the General Fund was for a bond anticipation note (BAN) paydown related to the landfill and school projects.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2024**

### NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Being Depreciated:				
Buildings and improvements	\$ 108,790,349	\$ --	\$ --	\$ 108,790,349
Machinery, equipment, and furnishings	10,985,325	338,865	--	11,324,190
Infrastructure	--	1,122,768	--	1,122,768
<b>Total Capital Assets, Being Depreciated</b>	<u>119,775,674</u>	<u>1,461,633</u>	<u>--</u>	<u>121,237,307</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(27,188,907)	(2,855,704)	--	(30,044,611)
Machinery, equipment, and furnishings	(8,315,456)	(912,264)	--	(9,227,720)
<b>Total Accumulated Depreciation</b>	<u>(35,504,363)</u>	<u>(3,767,968)</u>	<u>--</u>	<u>(39,272,331)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>84,271,311</u>	<u>(2,306,335)</u>	<u>--</u>	<u>81,964,976</u>
Capital Assets, Not Being Depreciated:				
Land	1,305,700	--	--	1,305,700
Construction in progress	27,890	--	(27,890)	--
<b>Total Capital Assets, Not Being Depreciated</b>	<u>1,333,590</u>	<u>--</u>	<u>(27,890)</u>	<u>1,305,700</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 85,604,901</u>	<u>\$ (2,306,335)</u>	<u>\$ (27,890)</u>	<u>\$ 83,270,676</u>

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

<b>Governmental Activities:</b>	
Administration	\$ 117,165
Instruction	3,208,436
Other school services	32,301
Operations and maintenance	410,066
	<u>\$ 3,767,968</u>

### NOTE 8 - DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent the consumption of net assets by the District 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 Statement No. 68 and GASB Statement No. 75, are more fully discussed in the corresponding pension and OPEB notes.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2024**

### NOTE 9 - NOTES PAYABLE

The following summarizes activity in notes payable during fiscal year 2024:

Purpose	Interest Rate(s) %	Date of Issue	Date of Maturity	Balance Beginning of Year	New Issues	Maturities	Balance End of Year
Landfill remediation	4.49	12/16/22	12/15/23	645,130	--	(645,130)	--
Landfill remediation	4.88	12/15/23	10/02/24	--	416,328	--	416,328
Access Road	4.75	10/02/23	10/02/24	--	853,665	--	853,665
				<u>\$ 645,130</u>	<u>\$ 1,269,993</u>	<u>\$ (645,130)</u>	<u>\$ 1,269,993</u>

### NOTE 10 - LONG-TERM DEBT

#### *GENERAL OBLIGATION BONDS AND LOANS*

The District issues general obligation bonds and loans to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans outstanding were as follows at June 30, 2024:

Governmental Activities	Original Issue	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/24
<b>General Obligation Bonds</b>				
General Obligation School Bonds	03/15/15	03/15/38	3.00 - 5.00	\$ 18,200,000
General Obligation School Bonds	03/01/16	03/01/38	2.00 - 3.00	1,580,000
General Obligation School Refunding Bonds	06/01/21	06/15/38	2.00 - 5.00	15,775,000
<b>Total General Obligation Bonds</b>				<b>35,555,000</b>
<b>Loans (Direct Borrowings):</b>				
School buses	05/20/21	05/20/25	1.48	54,672
School buses	06/23/23	06/23/27	4.18	335,138
<b>Total Loans (Direct Borrowings)</b>				<b>389,810</b>
				<b>\$ 35,944,810</b>

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### NOTE 11 - LONG-TERM LIABILITIES

##### *FUTURE DEBT SERVICE*

The annual payments to retire all general obligation bonds and loans outstanding as of June 30, 2024 were as follows:

Fiscal Year	Bonds - Public Offerings		Loans - Direct Borrowings	
	Principal	Interest	Principal	Interest
2025	\$ 2,545,000	\$ 1,166,425	\$ 161,843	\$ 14,824
2026	2,545,000	1,042,625	111,650	9,529
2027	2,545,000	944,825	116,317	4,862
2028	2,545,000	847,025	--	--
2029	2,545,000	749,225	--	--
2030	2,540,000	651,137	--	--
2031	2,540,000	564,551	--	--
2032	2,540,000	488,925	--	--
2033	2,535,000	413,301	--	--
2034	2,535,000	337,661	--	--
2035 - 2039	10,140,000	679,675	--	--
	<u>\$ 35,555,000</u>	<u>\$ 7,885,375</u>	<u>\$ 389,810</u>	<u>\$ 29,215</u>

##### *CHANGES IN LONG-TERM LIABILITIES*

During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-term Portion
Bonds payable:						
Public offerings	\$ 38,100,000	\$ --	\$ (2,545,000)	\$ 35,555,000	\$ (2,545,000)	\$ 33,010,000
Loans - direct borrowings	628,319	--	(238,509)	389,810	(161,843)	227,967
Unamortized bond premiums	3,359,183	--	(223,945)	3,135,238	(223,945)	2,911,293
Subtotal	<u>42,087,502</u>	<u>--</u>	<u>(3,007,454)</u>	<u>39,080,048</u>	<u>(2,930,788)</u>	<u>36,149,260</u>
Compensated absences liability	474,110	--	(29,375)	444,735	(44,474)	400,261
Net pension liability	3,511,773	--	(376,061)	3,135,712	--	3,135,712
Net OPEB liability	7,949,053	--	(910,088)	7,038,965	--	7,038,965
	<u>\$ 54,022,438</u>	<u>\$ --</u>	<u>\$ (4,322,978)</u>	<u>\$ 49,699,460</u>	<u>\$ (2,975,262)</u>	<u>\$ 46,724,198</u>

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 11 - LONG-TERM LIABILITIES (CONTINUED)

#### *LONG-TERM LIABILITIES SUPPORTING GOVERNMENTAL ACTIVITIES*

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

### NOTE 12 - DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent the acquisition of net assets by the District 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 a reduction of expense in future periods and are more fully described in the corresponding pension and OPEB notes.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### NOTE 13 - GOVERNMENTAL FUNDS – FUND BALANCES

The District's fund balances at June 30, 2024 were comprised of the following:

	General Fund	State Grants	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted					
For debt service	\$ 607,168	\$ --	\$ --	\$ --	\$ 607,168
Special revenue funds:					
Circuit breaker	--	1,110,989	--	--	1,110,989
Athletics	--	--	--	160,065	160,065
School lunch	--	--	--	256,329	256,329
Adult education	--	--	--	70,898	70,898
SPED Entitlement	--	--	--	113,465	113,465
Private grants	--	--	--	30,476	30,476
Ed foundation	--	--	--	24,675	24,675
Lecture and enrichment	--	--	--	117,775	117,775
Other	--	47,440	--	166,970	214,410
<b>Total Restricted</b>	<b>607,168</b>	<b>1,158,429</b>	<b>--</b>	<b>940,653</b>	<b>2,706,250</b>
Committed					
For technology stabilization	2,102	--	--	--	2,102
For CCHS stabilization	209,669	--	--	--	209,669
<b>Total Committed</b>	<b>211,771</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>211,771</b>
Assigned					
For encumbrances:					
Administration	2,803	--	--	--	2,803
Instruction	40,553	--	--	--	40,553
Other school services	59,808	--	--	--	59,808
Operations and maintenance	46,705	--	--	--	46,705
Fixed charges	37,000	--	--	--	37,000
Capital outlay	130,175	--	--	--	130,175
Programs with other districts	132,999	--	--	--	132,999
For next year's expenditures	300,000	--	--	--	300,000
<b>Total Assigned</b>	<b>750,043</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>750,043</b>
Unassigned					
General Fund	2,033,974	--	--	--	2,033,974
Deficit balances	--	(9,004)	(1,262,526)	(933)	(1,272,463)
<b>Total Unassigned</b>	<b>2,033,974</b>	<b>(9,004)</b>	<b>(1,262,526)</b>	<b>(933)</b>	<b>761,511</b>
<b>Total Fund Balances</b>	<b>\$ 3,602,956</b>	<b>\$ 1,149,425</b>	<b>\$ (1,262,526)</b>	<b>\$ 939,720</b>	<b>\$ 4,429,575</b>

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 14 – RESTRICTED NET POSITION

The District's restricted net position at June 30, 2024 are comprised of the following:

Purpose	Governmental Activities
Debt service	\$ 607,168
Circuit breaker	1,110,989
Athletics	160,065
School lunch	256,329
Adult education	70,898
SPED Entitlement	113,465
Lecture and enrichment	117,775
Other	<u>269,561</u>
	<u>\$ 2,706,250</u>

### NOTE 15 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM

The District 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.

#### ***PLAN DESCRIPTION***

Substantially all employees of the District (except teachers and administrators under contract in the District) 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 pension plan 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's Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports publicly available from the System located at, 2250 Main Street, Concord, Massachusetts 01742.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 15 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)

#### *PLAN DESCRIPTION (CONTINUED)*

##### *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.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 15 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)

#### *PLAN DESCRIPTION (CONTINUED)*

##### *Participant Retirement Benefits (Continued)*

There are four 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 District 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.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 15 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)

#### *PLAN DESCRIPTION (CONTINUED)*

##### *Methods of Payment (Continued)*

- 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 District’s contribution to the System for the year ended June 30, 2024 was \$882,191, which was equal to its annual required contribution.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 15 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)

#### *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

For purposes of measuring the net pension liability, 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, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSION*

At June 30, 2024, the District reported a liability of \$3,135,712 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward to December 31, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportionate share of the net pension liability was 12.95%.

For the year ended June 30, 2024, the District recognized pension expense of \$657,307. In addition, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 235,339	\$ (422,583)
Changes of assumptions	388,949	--
Net difference between projected and actual investment earnings on pension plan investments	1,284,807	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>197,782</u>	<u>(100,122)</u>
	<u>\$ 2,106,877</u>	<u>\$ (522,705)</u>

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

---

#### NOTE 15 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)

##### *PENSION LIABILITIES, PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSION (CONTINUED)*

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

<u>Year Ended June 30:</u>	
2025	\$ 221,310
2026	492,184
2027	974,881
2028	<u>(104,203)</u>
	<u>\$ 1,584,172</u>

#### *ACTUARIAL ASSUMPTIONS*

A summary of the actuarial assumptions as of the latest actuarial valuation is shown below:

Valuation date	January 1, 2023
Actuarial cost method	Entry Age Normal
Remaining amortization period	5 years from January 1, 2023
Investment rate of return	6.50%
Projected salary increases:	
Groups 1 and 2	2.50% for 10 years
Fire	4.70% for 3 years
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, and 2.00% in year 6
Inflation rate	2.60%
Post-retirement cost-of-living adjustment	5.00% of the first \$14,000
Mortality rates were based on the following:	
Pre-retirement and beneficiary mortality:	RP-2014 Healthy Employee table adjusted to 2006 and projected generationally using scale MP-2021, gender distinct
Retired members:	RP-2014 Healthy Annuitant table adjusted to 2006 and projected generationally using scale MP-2021, gender distinct
Disabled members:	RP-2014 Healthy Annuitant table adjusted to 2006 and projected generationally using scale MP-2021, gender distinct. For members retired under accidental disability, 40% of deaths are assumed to be from the same cause of the disability

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2024**

---

### NOTE 15 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)

#### *ACTUARIAL ASSUMPTIONS (CONTINUED)*

Actuarial valuations of the ongoing System involve estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

#### *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:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Global equity:	31-41%	
U.S. equity		4.19%
International equity		3.90%
Emerging equity		6.43%
Core fixed income:	12-18%	
Core bonds		2.24%
Short-term fixed income		1.56%
Treasury STRIPS		1.56%
TIPS/ILBs		1.66%
Value-added fixed income	6-12%	5.07%
Private equity	13-19%	7.41%
Real estate	7-13%	3.90%
Timberland	1-7%	4.39%
Portfolio completion (PCS)	7-13%	3.70%

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

---

**NOTE 15 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)**

***DISCOUNT RATE***

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that 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 TO CHANGES IN THE DISCOUNT RATE***

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the District’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 (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
\$ 6,748,719	\$ 3,135,712	\$ 91,594

***PENSION PLAN FIDUCIARY NET POSITION***

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

**NOTE 16 – MASSACHUSETTS TEACHERS’ RETIREMENT SYSTEM (MTRS)**

***PLAN DESCRIPTION***

The Massachusetts Teachers’ Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing, multi-employer defined benefit plan, as defined in GASB Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth of Massachusetts on behalf of municipal teachers and municipal teacher retirees. The Commonwealth of Massachusetts is a non-employer 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.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 16 – MASSACHUSETTS TEACHERS’ RETIREMENT SYSTEM (MTRS) (CONTINUED)

#### *PLAN DESCRIPTION (CONTINUED)*

Management of 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*

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establish 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.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 16 - MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (MTRS) (CONTINUED)

#### *CONTRIBUTIONS*

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

Membership Date	% of Compensation
Before January 1, 1975	5% of regular compensation
January 1, 1975 - December 31, 1983	7% of regular compensation
January 1, 1984 - June 30, 1996	8% of regular compensation
Beginning July 1, 1996	9% of regular compensation
Beginning July 1, 2001	11% of regular compensation (for teachers who were hired after July 1, 2001 and accept the provisions of Chapter 114 of the Acts of 2000)
1979 - present	Additional 2% of regular compensation in excess of \$30,000

In addition, members who join 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, 2023 measurement date was determined by an actuarial valuation as of January 1, 2023 rolled forward to June 30, 2023. The valuation used the following assumptions:

- (a) 2.5% 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 of allowance 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.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

---

#### NOTE 16 - MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (MTRS) (CONTINUED)

##### *ACTUARIAL ASSUMPTIONS (CONTINUED)*

- Mortality rates were as follows:
  - Pre-retirement – reflects Pub-2010 Teachers Employees Mortality table (headcount weighted) projected generationally with Scale MP-2021 (gender distinct).
  - Post-retirement – reflects Pub-2010 Teachers Retirees Mortality table projected generationally with Scale MP-2021 (gender distinct).
  - Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees Mortality table (headcount weighted) projected generationally with Scale MP-2021 (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, 2023 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	37.00%	4.90%
Core fixed income	15.00%	1.90%
Private equity	16.00%	7.40%
Portfolio completion strategies	10.00%	3.80%
Real estate	10.00%	3.00%
Value added fixed income	8.00%	5.10%
Timber/natural resources	4.00%	4.30%
	100.00%	

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 16 - MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (MTRS) (CONTINUED)

#### *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 (amounts in thousands):

1% Decrease (6.00)%	Current Discount Rate (7.00%)	1% Increase (8.00)%
\$ 33,378,000	\$ 26,290,271	\$ 20,292,000

#### *SPECIAL FUNDING SITUATION*

The Commonwealth of Massachusetts is a non-employer contributor and is required by statute to make all actuarially 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 non-employer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

#### *DISTRICT PROPORTIONS*

In fiscal year 2023 (the most recent measurement period), the District's proportionate share of the MTRS' collective net pension liability was \$51,871,649 based on a proportionate share of 0.197304%. As required by GASB 68, the District has recognized its portion of the Commonwealth of Massachusetts' contribution of \$4,239,415 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 \$4,843,263 as both a revenue and expense on the Statement of Activities.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirement 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 2014, the District 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 following OPEB disclosures are based on a measurement date of June 30, 2024.

#### **GENERAL INFORMATION ABOUT THE OPEB PLAN**

##### *Plan Description*

The District provides post-employment healthcare benefits for retired employees through the District's single employer, defined benefit, OPEB plan. The District 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 District provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the District and meet the eligibility criteria will receive these benefits.

##### *Funding Policy*

The District's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on annual budget limitations/authorizations.

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

---

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***GENERAL INFORMATION ABOUT THE OPEB PLAN (CONTINUED)***

*Plan Membership*

At June 30, 2024, the following employees were covered by the benefit terms:

Retired, disabled, survivors and beneficiaries receiving benefits	94
Inactive members	4
Active plan members	<u>212</u>
	<u><u>310</u></u>

***INVESTMENTS***

The OPEB Trust Fund's assets at June 30, 2024 consisted of investments in collective investment trust funds.

*Rate of Return*

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 15.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested throughout the fiscal year.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *ACTUARIAL ASSUMPTIONS AND OTHER INPUTS*

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

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, and 4.80% in year five
Fire	4.70% for three years
All other employees	4.30% for seven years
Investment rate of return	6.75% (previously 6.50%)
Healthcare cost trend rates	9.00% for 2022, fluctuating to an ultimate rate of 5.00% as of 2040 and later years
Retirees' share of benefit-related costs	50.00%
Participation rate	65.00% for medical, 50.00% for life, assumed that 42.50% of pre-65 spouses and 55.00% of post-65 spouses will participate

Mortality rates were based on the following:

- Actives – Pub-2010 Headcount-weighted Mortality tables, gender distinct, for Employees using generational mortality and scale MP-2021; general (groups 1 and 2 and spouses), safety (group 4), and teachers.
- Retirees – Pub-2010 Headcount-weighted Mortality tables, gender distinct, for Healthy Retirees using generational mortality and scale MP-2021; general (groups 1 and 2 and spouses), safety (group 4), and teachers.
- Disabled – Pub-2010 Headcount-weighted Mortality tables, gender distinct, for Healthy Retirees using generational mortality and scale MP-2021; general (groups 1 and 2 and spouses), safety (group 4), and teachers, set forward two years.

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *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, 2024 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic stock	55.00%	4.70%
Foreign stock	16.00%	5.30%
Domestic bond	19.00%	2.40%
Cash	3.00%	1.00%
Foreign bond	1.00%	2.50%
Other	6.00%	3.60%
	<u>100.00%</u>	

#### *CONTRIBUTIONS*

In addition to the implicit subsidy contribution, the District's policy is to contribute the amounts provided annually by the budget.

#### *DISCOUNT RATE*

The discount rate used to measure the net OPEB liability was 6.75%. 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.

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

---

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***NET OPEB LIABILITY***

The components of the net OPEB liability, measured as of June 30, 2024, were as follows:

Total OPEB liability	\$ 17,421,837
Less: plan fiduciary net position	<u>(10,382,872)</u>
Net OPEB liability	<u><u>\$ 7,038,965</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 59.60%

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 (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, Beginning of Year	\$ 16,550,643	\$ 8,601,590	\$ 7,949,053
Changes for the year:			
Service cost	442,737	--	442,737
Interest	1,123,593	--	1,123,593
Contributions - employer	--	1,120,136	(1,120,136)
Net investment income	--	1,356,282	(1,356,282)
Differences between expected and actual experience	--	--	--
Changes of assumptions	--	--	--
Benefit payments	<u>(695,136)</u>	<u>(695,136)</u>	<u>--</u>
Net Changes	<u>871,194</u>	<u>1,781,282</u>	<u>(910,088)</u>
Balances, End of Year	<u><u>\$ 17,421,837</u></u>	<u><u>\$ 10,382,872</u></u>	<u><u>\$ 7,038,965</u></u>

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

---

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
\$ 9,201,544	\$ 7,038,965	\$ 5,249,492

***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:

1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$ 4,826,926	\$ 7,038,965	\$ 9,780,707

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

---

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB***

For the year ended June 30, 2024, the District recognized an OPEB expense of \$(279,097). At June 30, 2024, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$ --	\$ (1,867,100)
Changes of assumptions	18,874	(667,486)
Net difference between projected and actual investment earnings on OPEB plan investments	--	(573,159)
	\$ 18,874	\$ (3,107,745)

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

<u>Year Ended June 30:</u>	
2025	\$ (901,708)
2026	(616,845)
2027	(763,836)
2028	(533,825)
2029	(272,657)
	\$ (3,088,871)

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

### NOTE 18 - COMMITMENTS AND CONTINGENCIES

#### *OUTSTANDING LEGAL ISSUES*

There are various pending legal issues in which the District is involved. The District's management is of the opinion that any potential future settlement of such claims 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 District expects such amounts, if any, to be immaterial.

#### *ENCUMBRANCES*

At year-end the District's General Fund had \$450,043 in encumbrances that will be honored in the next fiscal year.

### NOTE 19 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 16, 2025, which is the date the financial statements were available to be issued.

#### *DEBT*

Subsequent to June 30, 2024, the District has incurred the following additional debt:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>
Bond Anticipation Note	4.90%	10/02/24	10/02/25	\$ <u>1,042,173</u>
Total				\$ <u><u>1,042,173</u></u>

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING**  
**SOURCES (USES) – BUDGET AND ACTUAL – GENERAL FUND**  
*(Unaudited)*

**FOR THE YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Assessments to member towns	\$ 33,251,830	\$ 33,251,830	\$ 33,251,830	\$ --
Intergovernmental	4,129,268	4,129,268	4,113,665	(15,603)
Investment income	80,000	80,000	438,020	358,020
Miscellaneous	50,000	50,000	102,441	52,441
<b>Total Revenues</b>	<u>37,511,098</u>	<u>37,511,098</u>	<u>37,905,956</u>	<u>394,858</u>
<b>Expenditures</b>				
Administration	1,626,631	1,618,376	1,612,111	6,265
Instruction	20,492,291	19,922,577	19,922,577	--
Other school services	2,936,057	3,286,130	3,286,130	--
Operations and maintenance	2,098,898	2,384,912	2,384,912	--
Fixed charges	4,346,715	5,030,332	5,030,332	--
Programs with other districts	1,948,241	2,041,370	2,041,328	42
Capital outlay	356,218	746,224	672,178	74,046
Debt service	4,098,062	4,096,532	4,096,532	--
<b>Total Expenditures</b>	<u>37,903,113</u>	<u>39,126,453</u>	<u>39,046,100</u>	<u>80,353</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(392,015)</u>	<u>(1,615,355)</u>	<u>(1,140,144)</u>	<u>475,211</u>
<b>Other Financing Sources (Uses)</b>				
Use of fund balance:				
For operating budget	300,000	695,888	--	(695,888)
For prior year carryforwards	--	827,452	827,452	--
Use of restricted fund balance for debt service	92,015	92,015	92,015	--
<b>Total Other Financing Sources (Uses)</b>	<u>392,015</u>	<u>1,615,355</u>	<u>919,467</u>	<u>(695,888)</u>
<b>Overall Budgetary Excess</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (220,677)</u>	<u>\$ (220,677)</u>

*See independent auditors' report and notes to required supplementary information.*

CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR GENERAL FUND BUDGET

FOR THE YEAR ENDED JUNE 30, 2023

---

**BUDGETARY BASIS**

The General Fund final appropriation appearing on the previous page represents the final amended budget after all 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:

	Revenues	Expenditures	Other Financing Sources (Uses)
GAAP Basis	\$ 42,145,583	\$ 42,606,670	\$ (28,277)
Add end-of-year appropriation carryforwards to expenditures	--	450,043	--
To reverse the effect of non-budgeted State contributions for teachers retirement	(4,239,415)	(4,239,415)	--
To reclassify capital project fund transfer out budgeted as debt service	--	228,802	228,802
To record use of restricted fund balance for debt service	--	--	92,015
To record use of prior year carryforwards as a funding source	--	--	827,452
To eliminate stabilization fund activity	<u>(212)</u>	<u>--</u>	<u>(200,525)</u>
Budgetary Basis	<u>\$ 37,905,956</u>	<u>\$ 39,046,100</u>	<u>\$ 919,467</u>

**CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
*(Unaudited)*

<b>Concord Contributory Retirement System</b>									
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/(Asset) as a Percentage of Covered Payroll		Plan Fiduciary Net Position Percentage of the Total Pension Liability	
			Net Pension Liability/(Asset)	Share of the Net Pension Liability/(Asset)		Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2024	December 31, 2023	12.95%	\$ 3,135,712	\$ 74.05%	4,234,316	74.05%	90.24%		
June 30, 2023	December 31, 2022	11.22%	3,511,773	75.45%	4,654,257	75.45%	86.75%		
June 30, 2022	December 31, 2021	11.81%	(637,810)	(13.62)%	4,682,933	(13.62)%	102.36%		
June 30, 2021	December 31, 2020	12.02%	1,384,961	32.49%	4,262,548	32.49%	94.59%		
June 30, 2020	December 31, 2019	12.68%	3,089,100	69.40%	4,451,154	69.40%	88.35%		
June 30, 2019	December 31, 2018	13.08%	4,776,915	107.90%	4,427,332	107.90%	81.34%		
June 30, 2018	December 31, 2017	13.22%	2,285,601	51.96%	4,398,922	51.96%	90.58%		
June 30, 2017	December 31, 2016	12.93%	4,166,963	101.08%	4,122,255	101.08%	81.85%		
June 30, 2016	December 31, 2015	12.83%	4,096,936	103.45%	3,960,361	103.45%	80.73%		
June 30, 2015	December 31, 2014	13.20%	2,385,894	95.00%	2,511,488	95.00%	88.04%		

<b>Massachusetts Teachers' Retirement System</b>										
Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the District		Covered Payroll	Total Net Pension Liability Associated with the District		Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll		Plan Fiduciary Net Position Percentage of the Total Pension Liability
			Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability		Net Pension Liability	Net Pension Liability	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	
June 30, 2024	June 30, 2023	0.197304%	\$ --	\$ 51,871,649	\$ 16,240,116	\$ 51,871,649	0.00%	0.00%	58.48%	
June 30, 2023	June 30, 2022	0.199799%	--	51,724,265	16,445,480	51,724,265	0.00%	0.00%	57.75%	
June 30, 2022	June 30, 2021	0.199682%	--	45,341,518	15,487,312	45,341,518	0.00%	0.00%	62.03%	
June 30, 2021	June 30, 2020	0.198592%	--	56,687,832	15,046,853	56,687,832	0.00%	0.00%	50.67%	
June 30, 2020	June 30, 2019	0.197121%	--	49,702,166	14,344,787	49,702,166	0.00%	0.00%	53.95%	
June 30, 2019	June 30, 2018	0.200919%	--	47,640,580	14,110,272	47,640,580	0.00%	0.00%	54.84%	
June 30, 2018	June 30, 2017	0.195121%	--	44,654,226	13,249,629	44,654,226	0.00%	0.00%	54.25%	
June 30, 2017	June 30, 2016	0.193059%	--	43,164,020	12,698,755	43,164,020	0.00%	0.00%	52.73%	
June 30, 2016	June 30, 2015	0.190717%	--	39,077,248	12,089,337	39,077,248	0.00%	0.00%	55.38%	
June 30, 2015	June 30, 2014	0.187412%	--	29,791,673	11,491,156	29,791,673	0.00%	0.00%	61.64%	

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

*See independent auditors' report.*

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRIBUTIONS

*(Unaudited)*

<b>Concord Contributory Retirement System</b>									
Fiscal Year	Measurement Date	Actuarially Determined Contribution	Contributions in		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll		
			Actuarially Determined Contribution	Relation to the Actuarially Determined Contribution					
June 30, 2024	December 31, 2023	\$ 882,191	\$ 882,191	--	\$	4,361,345	20.23%		
June 30, 2023	December 31, 2022	748,832	748,832	--		4,793,885	15.62%		
June 30, 2022	December 31, 2021	760,776	760,776	--		4,823,421	15.77%		
June 30, 2021	December 31, 2020	774,303	774,303	--		4,390,424	17.64%		
June 30, 2020	December 31, 2019	750,445	750,445	--		4,584,689	16.37%		
June 30, 2019	December 31, 2018	741,362	741,362	--		4,560,152	16.26%		
June 30, 2018	December 31, 2017	723,339	723,339	--		4,530,890	15.96%		
June 30, 2017	December 31, 2016	666,849	666,849	--		4,245,923	15.71%		
June 30, 2016	December 31, 2015	580,748	580,748	--		4,079,172	14.24%		
June 30, 2015	December 31, 2014	533,364	533,364	--		2,586,833	20.62%		

  

<b>Massachusetts Teachers' Retirement System</b>									
Fiscal Year	Measurement Date	Actuarially Determined Contribution Provided by Commonwealth	Contributions in		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll		
			Actuarially Determined Contribution	Relation to the Actuarially Determined Contribution					
June 30, 2024	June 30, 2023	\$ 4,239,415	\$ 4,239,415	\$	\$	16,240,116	26.10%		
June 30, 2023	June 30, 2022	4,204,980	4,204,980	--		16,445,480	25.57%		
June 30, 2022	June 30, 2021	3,491,404	3,491,404	--		15,487,312	22.54%		
June 30, 2021	June 30, 2020	3,084,997	3,084,997	--		15,046,853	20.50%		
June 30, 2020	June 30, 2019	2,845,858	2,845,858	--		14,344,787	19.84%		
June 30, 2019	June 30, 2018	2,641,654	2,641,654	--		14,110,272	18.72%		
June 30, 2018	June 30, 2017	2,410,750	2,410,750	--		13,249,629	18.19%		
June 30, 2017	June 30, 2016	2,171,110	2,171,110	--		12,698,755	17.10%		
June 30, 2016	June 30, 2015	1,948,995	1,948,995	--		12,089,337	16.12%		
June 30, 2015	June 30, 2014	1,756,761	1,756,761	--		11,491,156	15.29%		

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

*See independent auditors' report.*

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY

*(Unaudited)*

	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>								
Service cost	\$ 442,737	\$ 483,244	\$ 466,904	\$ 557,981	\$ 478,637	\$ 526,347	\$ 516,326	\$ 496,467
Interest	1,123,593	1,186,473	1,123,439	1,129,959	1,135,226	1,232,627	1,103,738	1,043,270
Changes of benefit terms	--	--	--	82,727	--	--	--	--
Differences between expected and actual experience	--	(2,109,714)	--	(940,887)	--	(2,543,599)	244,113	--
Changes of assumptions	--	(435,082)	--	(945,589)	107,901	--	752,976	--
Benefit payments	(695,136)	(688,933)	(584,923)	(592,634)	(487,228)	(734,053)	(701,352)	(616,149)
<b>Net Change in Total OPEB Liability</b>	<u>871,194</u>	<u>(1,564,012)</u>	<u>1,005,420</u>	<u>(708,443)</u>	<u>1,234,536</u>	<u>(1,518,678)</u>	<u>1,915,801</u>	<u>923,588</u>
<b>Total OPEB Liability - Beginning</b>	<u>16,550,643</u>	<u>18,114,655</u>	<u>17,109,235</u>	<u>17,817,678</u>	<u>16,583,142</u>	<u>18,101,820</u>	<u>16,186,019</u>	<u>15,262,431</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>17,421,837</u>	<u>16,550,643</u>	<u>18,114,655</u>	<u>17,109,235</u>	<u>17,817,678</u>	<u>16,583,142</u>	<u>18,101,820</u>	<u>16,186,019</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	1,120,136	1,238,933	1,134,923	1,142,634	1,050,672	1,334,053	1,436,851	1,321,149
Net investment income (loss)	1,356,282	919,421	(987,063)	1,736,595	168,955	215,847	241,891	293,053
Benefit payments	(695,136)	(688,933)	(584,923)	(592,634)	(487,228)	(734,053)	(701,352)	(616,149)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>1,781,282</u>	<u>1,469,421</u>	<u>(437,063)</u>	<u>2,286,595</u>	<u>732,399</u>	<u>815,847</u>	<u>977,390</u>	<u>998,053</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>8,601,590</u>	<u>7,132,169</u>	<u>7,569,232</u>	<u>5,282,637</u>	<u>4,550,238</u>	<u>3,734,391</u>	<u>2,757,001</u>	<u>1,758,948</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>10,382,872</u>	<u>8,601,590</u>	<u>7,132,169</u>	<u>7,569,232</u>	<u>5,282,637</u>	<u>4,550,238</u>	<u>3,734,391</u>	<u>2,757,001</u>
<b>Net OPEB Liability - Ending (a-b)</b>	<u>\$ 7,038,965</u>	<u>\$ 7,949,053</u>	<u>\$ 10,982,486</u>	<u>\$ 9,540,003</u>	<u>\$ 12,535,041</u>	<u>\$ 12,032,904</u>	<u>\$ 14,367,429</u>	<u>\$ 13,429,018</u>

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

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

*See independent auditors' report.*

# CONCORD-CARLISLE REGIONAL SCHOOL DISTRICT

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF THE NET OPEB LIABILITY AND RELATED RATIOS, CONTRIBUTIONS, AND INVESTMENT RETURNS

*(Unaudited)*

	2024	2023	2022	2021	2020	2019	2018	2017
<b>Schedule of the Net OPEB Liability and Related Ratios</b>								
Total OPEB liability	\$ 17,421,837	\$ 16,550,643	\$ 18,114,655	\$ 17,109,235	\$ 17,817,678	\$ 16,583,142	\$ 18,101,820	\$ 16,186,019
Plan fiduciary net position	(10,382,872)	(8,601,590)	(7,132,169)	(7,569,232)	(5,282,637)	(4,550,238)	(3,734,391)	(2,757,001)
<b>Net OPEB Liability</b>	<u>\$ 7,038,965</u>	<u>\$ 7,949,053</u>	<u>\$ 10,982,486</u>	<u>\$ 9,540,003</u>	<u>\$ 12,535,041</u>	<u>\$ 12,032,904</u>	<u>\$ 14,367,429</u>	<u>\$ 13,429,018</u>
Plan fiduciary net position as a percentage of the total OPEB liability	59.60%	51.97%	39.37%	44.24%	29.65%	27.44%	20.63%	17.03%
<b>Covered Employee Payroll</b>	\$ 20,996,881	\$ 20,286,842	\$ 22,946,461	\$ 19,324,580	\$ 19,859,253	\$ 19,003,289	Not available	Not available
Net OPEB liability as a percentage of covered employee payroll	33.52%	39.18%	47.86%	49.37%	63.12%	63.32%	Not available	Not available
<b>Schedule of Contributions</b>								
Actuarially determined contribution	\$ 1,077,762	\$ 1,236,000	\$ 1,442,000	\$ 1,395,000	\$ 1,349,000	\$ 1,446,000	\$ 1,410,000	\$ 1,435,812
Contributions in relation to the actuarially determined contribution	(1,120,136)	(1,238,933)	(1,134,923)	(1,142,634)	(1,050,672)	(1,334,053)	(1,436,851)	(1,321,149)
<b>Contribution Deficiency (Excess)</b>	<u>\$ (42,374)</u>	<u>\$ (2,933)</u>	<u>\$ 307,077</u>	<u>\$ 252,366</u>	<u>\$ 298,328</u>	<u>\$ 111,947</u>	<u>\$ (26,851)</u>	<u>\$ 114,663</u>
<b>Covered Employee Payroll</b>	\$ 20,996,881	\$ 20,286,842	\$ 22,946,461	\$ 19,324,580	\$ 19,859,253	\$ 19,003,289	Not available	Not available
Contributions as a Percentage of Covered Employee Payroll	5.33%	6.11%	4.95%	5.91%	5.29%	7.02%	Not available	Not available
<b>Schedule of Investment Returns</b>								
Annual money weighted rate of return, net of investment expense	15.77%	12.77%	(12.84)%	31.72%	3.31%	5.04%	7.05%	12.36%

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

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

*See independent auditors' report.*

**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 Members of the School Committee  
and Financial Audit Advisory Committee  
**Concord-Carlisle Regional School District**

We have audited, in accordance with the 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*”), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Concord-Carlisle Regional School District (the “District”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 16, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District’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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 District’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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District'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*.

### ***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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***CBIZ CPAs P.C.***

CBIZ CPAs P.C  
Boston, MA  
September 16, 2025.



CBIZ CPAs P.C.

53 State Street  
17th Floor  
Boston, MA 02109

P: 617.807.5000

September 16, 2025

School Committee and  
Financial Audit Advisory Committee  
**Concord-Carlisle Regional School District**  
120 Meriam Road  
Concord, MA 01742

To the Honorable Members of the School Committee  
and Financial Audit Advisory Committee:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Concord-Carlisle Regional School District (the “District”) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, 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 and Government Auditing Standards**

As stated in our engagement letter dated October 8, 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.

As part of our audit, we considered the internal control of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements were free of material misstatement, we also performed tests of the District’s 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.

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, was to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

### **Planned Scope, Timing of the Audit, Significant Risks, and Other**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve 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 will also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified management override of controls as a significant risk of material misstatement as part of our audit planning.

### **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 District are described in Note 1 to the financial statements. . The District changed accounting policies related to accounting changes and error corrections by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, in fiscal year 2024. We noted no transactions entered into by the District 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 District's financial statements were:

- Estimated lives and depreciation methods for depreciable assets.
- Net pension liability and related deferred outflows and inflows, and allocation.
- Net OPEB liability and related deferred outflows and inflows, and allocation.

Management's estimate of the above are based on various criteria. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of Pension in Note 15 and 16, and OPEB in Note 17 to the financial statements are reliant on various estimates.

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, 2024, we were engaged to prepare the government-wide financial statements by consolidating various funds into governmental activities, converting to the modified accrual and accrual basis of accounting, and recording all long-term assets, long-term liabilities, and net position classifications based on information from the District's accounting records. In addition, we assisted with the capital asset schedule maintenance. We evaluated the nature and objective of the requested work, the role of the nonattest responsibilities and management's role and determined that our independence would not be impaired, in fact or appearance.

#### ***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. 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.

#### ***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 September 16, 2025.

#### ***Significant Unusual Transactions***

For purposes of this letter, professional standards define *significant unusual transactions* as transactions that are outside the normal course of business for the District or that otherwise appear to be unusual due to their timing, size or nature. We did not identify any significant unusual transactions during our audit.

***Related Party Relationships and Transactions***

As part of our audit, we evaluated the District's identification of, accounting for, and disclosures of the District's relationships and transactions with related parties as required by professional standards. We did not identify any related parties or related party relationships or transactions that were previously undisclosed to us; significant related party transactions that have not been approved in accordance with the District's policies or procedures or for which exceptions to the District's policies or procedures were granted; or significant related party transactions that appeared to lack a business purpose.

***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 District'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 District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to RSI, which is 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.

**Restriction on Use**

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

Very truly yours,

*CBIZ CPAs P.C.*

Boston, MA

**CONCORD MUNICIPAL LIGHT PLANT**

**ANNUAL FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2024**



**CONCORD MUNICIPAL  
LIGHT PLANT**

ELECTRIC | BROADBAND | ENERGY MANAGEMENT

# CONCORD MUNICIPAL LIGHT PLANT

## CONTENTS

---

### FINANCIAL SECTION

**Independent Auditors' Report** ..... 1-3

**Management's Discussion and Analysis**..... 4-7

### Basic Financial Statements

#### Proprietary Fund

Statement of Net Position ..... 8-9

Statement of Revenues, Expenses, and Changes in Net Position .....10

Statement of Cash Flows ..... 11-12

**Notes to Financial Statements**..... 13-40

### REQUIRED SUPPLEMENTARY INFORMATION

#### Pension

Schedule of Proportionate Share of the Net Pension Liability .....41

Schedule of Pension Contributions .....42

#### OPEB

Schedules of Changes in the Net OPEB Liability .....43

Schedules of Net OPEB Liability, Contributions, and Investment Returns .....44

### SUPPLEMENTARY STATEMENTS

Combining Statement of Net Position ..... 45-46

Combining Statement of Revenues, Expenses, and Changes in Net Position .....47

Combining Statement of Cash Flows ..... 48-49

**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*** .....50-53

## **Independent Auditors' Report**

### **To the Municipal Lighting Board Concord Municipal Light Plant**

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the accompanying financial statements of the Concord Municipal Light Plant (the "Plant"), a component unit of the Town of Concord, Massachusetts, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Plant's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Plant, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### ***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. We are required to be independent of the Plant 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 Plant'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 Plant'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 Plant'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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plant's basic financial statements. The accompanying supplementary information on pages 45 through 49 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Matter***

#### ***Report on Summarized Comparative Information***

The financial statements of the Concord Municipal Light Plant as of and for the year ended December 31, 2023, were audited by Marcum LLP, whose report dated October 21, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

These financial statements are intended to present only the financial position, changes in financial position, and cash flows of the Concord Municipal Light Plant, a component unit of the Town of Concord, Massachusetts. They do not purport to, and do not, present the financial position or changes in financial position of the Town of Concord, Massachusetts, as a whole in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2026 on our consideration of the Plant'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 Plant'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 Plant's internal control over financial reporting and compliance.

***CBIZ CPAs P.C.***

Merrimack, NH  
February 19, 2026

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2024**

---

Within this section of the Concord Municipal Light Plant’s (the Plant) annual financial report, management provides a narrative discussion and analysis of the Plant’s financial activities for the year ended December 31, 2024. The Plant’s performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**Overview of the Financial Statements**

The basic financial statements include (1) the Statement of Net Position, (2) the Statement of Revenues, Expenses, and Changes in Net Position, (3) the Statement of Cash Flows, and (4) Notes to Financial Statements.

***Proprietary Fund***

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.

***Notes to Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

**Financial Highlights**

The Statement of Net Position is designed to indicate our financial position at a specific point in time. As of December 31, 2024, it shows our net position as \$53,839,109, which comprises \$37,095,236 invested in capital assets net of related long-term debt, \$9,031,746 restricted for the depreciation fund, and \$7,712,127 unrestricted.

The Statement of Revenues, Expenses, and Changes in Net Position summarizes our operating results. The change in net position for the year ended December 31, 2024 was \$3,153,144. The increase in net position was higher than forecasted due to higher operating income from higher electric and internet sales.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2024**

---

The Statement of Cash Flows provides information about cash receipts, cash payments, investing, and financing activities during the accounting period. A review of our 2024 Statement of Cash Flows indicates that cash receipts from operating activities adequately covers our operating expenses, debt service principal and interest, and our return on investment to the Town of Concord.

The following is a summary of the Plant's financial data for the current and prior year.

**Summary of Net Position**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current and other assets	\$ 35,366,154	\$ 29,024,613
Capital assets, net	<u>38,738,247</u>	<u>38,828,562</u>
<b>Total Assets</b>	<u>74,104,401</u>	<u>67,853,175</u>
<b>Deferred Outflows of Resources</b>	<u>2,987,086</u>	<u>4,147,902</u>
<b>Liabilities</b>		
Long-term liabilities	5,427,553	7,120,569
Other liabilities	<u>15,282,924</u>	<u>11,399,569</u>
<b>Total Liabilities</b>	<u>20,710,477</u>	<u>18,520,138</u>
<b>Deferred Inflows of Resources</b>	<u>2,541,901</u>	<u>2,794,174</u>
<b>Net Position</b>		
Net investment in capital assets	37,095,236	36,562,061
Restricted for depreciation fund	9,031,746	7,000,140
Unrestricted	<u>7,712,127</u>	<u>7,124,564</u>
<b>Total Net Position</b>	<u>\$ 53,839,109</u>	<u>\$ 50,686,765</u>

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2024**

---

**Summary of Changes in Net Position**

	<u>2024</u>	<u>2023</u>
<b>Operating Revenues</b>	\$ 36,097,876	\$ 35,296,544
<b>Operating Expenses</b>	<u>(33,550,736)</u>	<u>(32,566,130)</u>
<b>Operating Income</b>	2,547,140	2,730,414
<b>Nonoperating Revenues (Expenses), Net</b>	<u>1,066,954</u>	<u>1,023,632</u>
<b>Income Before Contributions and Other Items</b>	3,614,094	3,754,046
<b>Return on Investment transfer to Town of Concord</b>	<u>(461,750)</u>	<u>(377,500)</u>
<b>Change in Net Position</b>	3,152,344	3,376,546
<b>Net Position, Beginning</b>	<u>50,686,765</u>	<u>47,310,219</u>
<b>Net Position, Ending</b>	<u>\$ 53,839,109</u>	<u>\$ 50,686,765</u>

Operating revenues for 2024 increased by \$801,332 or 2% from 2023. Total operating expenses for 2024 increased by \$983,806 or 3% from 2023. The increase in operating expenses was primarily the result of both supply and price volatility within global energy markets. The increase in operating expenses was primarily driven by higher purchase power costs, reflecting continued upward trends in energy prices and increased consumption. Additionally, depreciation expense increased as a result of ongoing investment in infrastructure and equipment.

**Capital Assets and Debt Administration**

***Capital Assets***

The Plant's total investment in capital assets at year-end was \$38,738,247, net of accumulated depreciation, a decrease of \$90,315 from the prior year. This investment in capital assets includes land, construction in progress, structures and improvements, equipment and furnishings, transmission, distribution, and communications assets.

***Debt and Other Long-Term Obligations***

At December 31, 2024, total bonded debt was \$1,525,000 (exclusive of unamortized bond premium), all of which was backed by the full faith and credit of the Town of Concord, Massachusetts.

Additional information on capital assets and other long-term obligations can be found in the Notes to Financial Statements.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2024**

---

**Other Information**

***Broadband Operations***

In 2014, the Plant brought a municipal high-speed internet service (Broadband) to market using its fiber optic network. The April 2013 Annual Town Meeting approved Article 48 which authorized borrowing of up to \$1,000,000 to fund telecommunications startup expenses. An initial borrowing of \$100,000 in 2014 has been fully paid back. In 2016, the Plant borrowed an additional \$500,000 with a one-year bond anticipation note to continue to expand the telecommunications operation. This note was converted into a bond in 2016. The April 2017 Annual Town Meeting approved Article 24 which authorized borrowing of up to \$1,000,000 to fund telecommunications expansion expenses in addition to the 2013 authorization. During 2019, the Plant issued a new bond for telecommunications for \$338,000, which exhausted the 2013 authorization. On November 13 of 2020, an agreement was made between the Plant and Broadband whereas Broadband agreed to pay back the \$1,900,000 loan issued to the Plant to fund the telecommunication startup costs over a 10-year period. On May 20, 2021, Broadband issued an additional \$133,000 of debt for its telecommunications infrastructure. As of December 31, 2024, the Plant had 1,785 commercial and residential broadband customers connected, an increase of 62 customers over the previous year. As of December 31, 2024, annualized operating revenue from Broadband was \$1,694,120.

**Requests for Information**

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

Plant Director  
Concord Municipal Light Plant  
1175 Elm Street  
P.O. Box 1029  
Concord, Massachusetts 01742

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2024**

*(with summarized comparative information as of December 31, 2023)*

**Assets**

**Current Assets**

Unrestricted cash and short-term investments	\$ 2,707,946	\$ 1,522,725
Accounts receivable, net of allowance for uncollectible	5,486,637	5,281,494
Prepaid expenses	4,286,513	4,297,012
Inventory	1,339,044	1,305,274
Due from other entities	150,193	--
Leases receivable	98,425	65,322
Other current assets	7,819	24,622

<b>Total Current Assets</b>	<u>14,076,577</u>	<u>12,496,449</u>
-----------------------------	-------------------	-------------------

**Noncurrent Assets**

Restricted cash	20,045,070	15,492,921
Investment in associated companies	791,345	782,056
Leases receivable, net of current portion	453,162	253,187
Capital assets:		
Land and construction in progress	3,806,831	2,354,570
Other capital assets, net of accumulated depreciation	34,931,416	36,473,992

<b>Total Noncurrent Assets</b>	<u>60,027,824</u>	<u>55,356,726</u>
--------------------------------	-------------------	-------------------

<b>Total Assets</b>	<u>74,104,401</u>	<u>67,853,175</u>
---------------------	-------------------	-------------------

**Deferred Outflows of Resources**

Related to pension	2,255,843	3,458,557
Related to OPEB	731,243	689,345

<b>Total Deferred Outflows of Resources</b>	<u>2,987,086</u>	<u>4,147,902</u>
---	------------------	------------------

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

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**STATEMENT OF NET POSITION (CONTINUED)**

**DECEMBER 31, 2024**

*(with summarized comparative information as of December 31, 2023)*

<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	7,859,683	5,559,650
Accrued liabilities	467,028	333,733
Customer deposits	764,017	710,707
Customer advances for construction	515,174	378,493
Unearned revenue	5,551,642	4,416,986
Due to other entities	125,380	--
Current portion of long-term liabilities:		
Bonds payable	591,941	623,491
Compensated absences	11,890	10,034
<b>Total Current Liabilities</b>	<u>15,886,755</u>	<u>12,033,094</u>
<b>Noncurrent Liabilities</b>		
Bonds payable, net of current portion	1,051,070	1,643,011
Net pension liability	2,409,270	3,535,807
Net OPEB liability	1,137,481	1,117,578
Compensated absences, net of current portion	225,901	190,648
<b>Total Noncurrent Liabilities</b>	<u>4,823,722</u>	<u>6,487,044</u>
<b>Total Liabilities</b>	<u>20,710,477</u>	<u>18,520,138</u>
<b>Deferred Inflows of Resources</b>		
Related to pension	614,152	866,369
Related to OPEB	1,376,162	1,609,296
Related to leases	551,587	318,509
<b>Total Deferred Inflows of Resources</b>	<u>2,541,901</u>	<u>2,794,174</u>
<b>Net Position</b>		
Net investment in capital assets	37,095,236	36,562,061
Restricted for depreciation fund	9,031,746	7,000,140
Unrestricted	7,712,127	7,124,564
<b>Total Net Position</b>	<u>\$ 53,839,109</u>	<u>\$ 50,686,765</u>

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

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(with summarized comparative information as of December 31, 2023)*

	2024	2023
<b>Operating Revenues</b>		
Electric sales	\$ 32,811,457	\$ 30,579,633
Internet sales	1,409,124	1,311,012
Rate refund	(1,103,457)	(496,211)
Underground surcharge	514,171	507,667
Renewable energy certificate revenue	2,332,656	3,274,006
Other operating revenue	133,925	120,437
<b>Total Operating Revenues</b>	36,097,876	35,296,544
<b>Operating Expenses</b>		
Purchase power	22,537,880	21,693,112
Salaries and benefits	3,764,753	3,946,813
Other operating expenses	2,050,444	1,412,783
Depreciation	2,165,757	2,069,428
Customer accounts	1,584,080	1,756,645
Distribution	1,343,970	1,588,129
Transmission	103,852	99,220
<b>Total Operating Expenses</b>	33,550,736	32,566,130
Operating Income	2,547,140	2,730,414
<b>Nonoperating Revenues (Expenses)</b>		
Interest income	975,994	727,342
Interest expense	(86,363)	(95,979)
Loss on disposal of capital assets	(27,883)	(42,494)
Other expenses	(61,977)	(59,115)
Other revenues	267,183	493,878
<b>Total Nonoperating Revenues (Expenses), net</b>	1,066,954	1,023,632
Income Before Transfers	3,614,094	3,754,046
Return on investment transfer to Town of Concord	(461,750)	(377,500)
<b>Change in Net Position</b>	3,152,344	3,376,546
<b>Net Position</b> at Beginning of Year	50,686,765	47,310,219
<b>Net Position</b> at End of Year	\$ 53,839,109	\$ 50,686,765

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

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(with summarized comparative information as of December 31, 2023)*

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 37,080,699	\$ 36,194,294
Payments to vendors and employees	<u>(29,240,311)</u>	<u>(31,888,308)</u>
<b>Net Cash Provided by Operating Activities</b>	7,840,388	4,305,986
<b>Cash Flows from Noncapital Financing Activities</b>		
Return on investment to Town of Concord	(461,750)	(377,500)
Other expenses	(61,977)	(59,116)
Other revenues	<u>207,142</u>	<u>498,236</u>
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	(316,585)	61,620
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(2,075,678)	(2,880,328)
Principal payments on bonds	(565,000)	(560,000)
Interest expense	<u>(112,460)</u>	<u>(95,979)</u>
<b>Net Cash (Used for) Capital and Related Financing Activities</b>	<u>(2,753,138)</u>	<u>(3,536,307)</u>
<b>Cash Flows from Investing Activities</b>		
Investment income	<u>966,705</u>	<u>727,342</u>
<b>Net Cash Provided by Investing Activities</b>	<u>966,705</u>	<u>727,342</u>
<b>Net Change in Cash and Short-Term Investments</b>	<u>5,737,370</u>	<u>1,558,641</u>
<b>Cash and Short Term Investments, Beginning of Year</b>	<u>17,015,646</u>	<u>15,457,005</u>
<b>Cash and Short Term Investments, End of Year</b>	<u>\$ 22,753,016</u>	<u>\$ 17,015,646</u>
<b>Cash and short term investments consists of:</b>		
Unrestricted cash and short term investments	\$ 2,707,946	\$ 1,522,725
Restricted cash	<u>20,045,070</u>	<u>15,492,921</u>
<b>Totals</b>	<u>\$ 22,753,016</u>	<u>\$ 17,015,646</u>

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

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**STATEMENT OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(with summarized comparative information as of December 31, 2023)*

**Reconciliation of Operating Income to Net Cash  
provided by Operating Activities**

Operating income	2,547,140	2,730,414
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/Amortization	2,165,757	2,069,428
Changes in assets, liabilities, and deferred outflows/inflows:		
Accounts receivable	(205,143)	264,948
Prepaid expenses	10,499	(980,858)
Inventory	(33,770)	(13,679)
Other assets	12,666	(1,546)
Due from other entities	(149,200)	--
Accounts payable	2,300,033	(595,732)
Accrued liabilities	121,353	26,853
Due to other entities	140,467	--
Customer advances for construction	136,680	122,570
Unearned revenue	1,134,656	507,129
Net pension liability and related deferrals	(176,040)	342,141
Net OPEB liability and related deferrals	(255,129)	(306,084)
Other liabilities	90,419	140,402
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 7,840,388</u>	<u>\$ 4,305,986</u>

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***REPORTING ENTITY***

The Plant is a municipal light plant established and operated pursuant to Massachusetts General Laws Chapter 164, paragraph 34. The Plant operates as a separate enterprise, independent of general Town government, and is governed by an elected Board of Commissioners, which appoints the General Manager responsible for the operation and maintenance of the Plant. The Plant's legal autonomy is pursuant to the provisions of Massachusetts General Laws (MGL) chapter 164 paragraph 56. The Plant's cash and investments are held by the Treasurer of the Town of Concord, Massachusetts ("the Town"). For financial reporting purposes, the Plant is considered a legally separate component unit of the Town of Concord, Massachusetts.

***BUSINESS ACTIVITY***

The Plant purchases electricity which it distributes to consumers within the Town of Concord, Massachusetts. The Plant operates under the provisions of Chapter 164 of Massachusetts General Laws (MGL), with a Municipal Light Board appointed by the Town Manager. The Town Manager appoints the Plant Director who has full charge of the day-to-day operations and management of the Plant, under the general direction of the Town Manager.

***REGULATION***

Under Massachusetts General Laws, the 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 Plant, the Plant's rates are not subject to DPU approval. The Plant's policy is to prepare its financial statements in conformity with account principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Account Standards board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles.

***BASIS OF ACCOUNTING***

The Plant is a proprietary fund. 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.

Operating revenues and expenses are distinguished from nonoperating items in the financial statements. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Plant's principal ongoing operations. The principal operating revenues of the Plant are charges to customers for sales and services.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

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

Operating expenses for the Plant 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.

***CONCENTRATIONS***

The 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.

***REVENUES***

Revenues are based on rates established by the Plant and filed with the DPU. Revenues from sales of electricity are recorded based on 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 year.

A key component of operating revenues is the Purchase Power & Fuel Cost Adjustment (PP&FCA). This adjustment allows the 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.

***CASH AND SHORT-TERM INVESTMENTS***

For the purpose of the Statement of Cash Flows, the Plant considers all cash on deposit with the Town Treasurer and investments with original maturities of three months or less to be short-term investments to be cash and short-term investments.

***LEASES***

The Plant recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the Plant 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:

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

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

***LEASES (CONTINUED)***

- The Plant 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.

***INVENTORY***

Plant inventory consists of parts and accessories purchased for use in the utility business for construction, operation, and maintenance and is stated at average cost.

***CAPITAL ASSETS AND DEPRECIATION***

Capital assets, which include property, plant, equipment, and utility plant infrastructure, are recorded at historical cost or estimated historical cost when purchased or constructed. Donated capital assets are recorded at acquisition fair market value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as they are acquired or constructed. When capital assets are retired, the cost of the retired asset, less accumulated depreciation, salvage value, and any cash proceeds, is charged to the Plant's unrestricted net position.

Massachusetts General Laws require utility plant in service to be depreciated at a minimum annual rate of 3%. To change this rate, the Plant must obtain approval from the DPU. Changes in annual depreciation rates may be made for financial factors relating to cash flow for plant expansion, rather than engineering factors relating to estimates of useful lives.

***ACCRUED COMPENSATED ABSENCES***

The Plant's employment benefit plan, consistent with the Town's policy, provides that employees are entitled to a minimum of ten days of vacation per year up to twenty-five days per year depending on years of service and employment classification. Employees are allowed to accumulate monthly and carry forward to the following month their unused vacation days for a year subject to a cap equal to the employees' annual rate of accrual plus five days. Pursuant to GASB Statement No. 101, compensated absences are recognized as a liability when the leave is earned and attributable to services already rendered, and payment for such leave is probable.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

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

***LONG-TERM OBLIGATIONS***

The financial statements report long-term debt and other long-term obligations as liabilities in the Statement of Net Position.

***NET POSITION***

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists 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 Plant or through external restrictions imposed by creditors, grantors, or laws and 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 of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could vary from estimates that were used.

***RATE OF RETURN***

The Plant's rates must be set such that earnings attributable to electric operations do not exceed eight percent of the net cost of plant. In 2024, the Plant's earnings did not exceed this threshold.

**NOTE 2 - CASH AND INVESTMENTS**

***CUSTODIAL CREDIT RISK***

Custodial credit risk is the risk that in the event of a bank failure, the Plant's deposits may not be returned. Massachusetts General Laws, Chapter 44, Section 55, limit deposits "in a bank or trust company or banking company to an amount not exceeding 60% of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The Town of Concord is responsible for implementing policies for deposit custodial credit risk for the Plant.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

*CUSTODIAL CREDIT RISK (CONTINUED)*

Because all of the Plant's cash is in the custody of the Town Treasurer, all bank accounts are maintained in the name of the Town. At December 31, 2024 virtually all of the Plant's bank balances were held in Massachusetts Municipal Depository Trust (MMDT), the local government money market investment pool, for which the State Treasurer is sole trustee and which is managed by federated investors under contract to the State Treasurer.

**NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts Receivable consisted of the following at December 31, 2024:

Customer Accounts:		
Billed	\$ 2,627,744	
Less allowances:		
Uncollectible accounts	<u>(18,134)</u>	
Total billed		2,609,610
Unbilled, net		<u>2,608,428</u>
Total customer accounts		5,218,038
Other Accounts:		
Merchandise and jobbing	147,072	
Liens and other	<u>121,527</u>	
Total other accounts		<u>268,599</u>
Total net receivables		<u><u>\$ 5,486,637</u></u>

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 4 - PREPAID EXPENSES**

Prepaid expenses consist primarily of advance payments for purchased power. At December 31, 2024, the Plant reported the following prepaid expenses:

Purchased power	\$ 3,553,018
NYPA prepayment fund	85,884
Fuel inventory	147,801
Insurance and other	<u>499,810</u>
Total	<u>\$ 4,286,513</u>

**NOTE 5 - RESTRICTED CASH**

Restricted cash consisted of the following at December 31, 2024:

Customer advances for construction fund	\$ 515,174
Customer deposits fund	758,775
Depreciation fund	9,031,746
Renewable energy certificate purchase fund	5,953,619
Underground fund	<u>3,785,756</u>
Total	<u>\$ 20,045,070</u>

The 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 Plant reserves 3.0% 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 1.5% charge on all electric bills is used to replenish this fund.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 6 - 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 Plant has made advances to fund its equity requirements for the Hydro-Quebec Phase II interconnection. The Plant is carrying its investment at cost, reduced by shares repurchased. As of December 31, 2024, the market value of these investments could not be readily determined.

The Plant also purchased a five percent interest in Energy New England, LLC for \$150,000 in 2007. Energy New England, LLC is an energy and energy services cooperative established to assist publicly owned entities to ensure their continued viability in the deregulated wholesale electric utility markets and to strengthen their competitive position in the retail energy market for the benefit of the municipal entities. Energy New England, LLC 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, 2024.

Investment in associated companies consisted of the following for the year ended December 31, 2024:

Hydro-Quebec (at cost)	\$ 48,134
Energy New England, LLC (December 31, 2024 fair value)	<u>743,211</u>
Total	<u>\$ 791,345</u>

**NOTE 7 - LEASES RECEIVABLE**

In 2022, the Plant adopted GASB Statement No. 87, Leases. This statement requires the recording of a lease receivable and a deferred inflow of resources by the lessor (the Plant) even in the case of a lease which does not transfer ownership of the leased asset.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 7 - LEASES RECEIVABLE (CONTINUED)**

As of December 31, 2024, the Plant’s receivable, and deferred inflow of resources for lease payments was \$551,587. The Plant recognized lease revenue of \$42,151 in calendar year 2024. These leases are summarized as follows:

	Leases Receivable	Leases Revenue
Fiber optic cable - Concord-Carlisle Regional School District	\$ 59,245	\$ 2,971
Fiber optic cable - Concord Academy	29,426	2,700
Fiber optic cable - DSCI Corporation	462,916	36,480
Total	\$ 551,587	\$ 42,151

*Fiber optic cable – Concord-Carlisle Regional School District* – On September 1, 2014, the Plant entered into a ten-year lease agreement with the Concord-Carlisle Regional School District for the lease of Plant owned fiber optic network. Based on the agreement, the Plant is receiving monthly payments through 2024. This lease agreement includes an annual rate adjustment based on the consumer price index.

*Fiber optic cable – Concord Academy* – On June 13, 2014, the Plant entered into a three-year lease agreement with the Concord Academy for the lease of Plant owned fiber optic network. Based on the agreement, the Plant is receiving annual payments through 2029. This lease agreement includes an extension clause for 4 three-year renewal terms, that is expected to be exercised.

*Fiber optic cable – DSCI Corporation* – On December 5, 2011, the Plant entered into a five-year lease agreement with DSCI Corporation for the lease of a Plant owned fiber optic network. Based on the agreement, the Plant is receiving annual payments through 2031. This lease agreement includes an extension clause for 3 five-year renewal terms, which is expected to be exercised.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Structures and improvements	\$ 9,464	\$ 50	\$ --	\$ 9,514
Equipment and furnishings	14,728	329	--	15,057
Infrastructure	46,646	245	(16)	46,875
Intangible	<u>2,086</u>	<u>--</u>	<u>--</u>	<u>2,086</u>
Total capital assets, being depreciated	72,924	624	(16)	73,532
Less accumulated depreciation for:				
Structures and improvements	(5,677)	(282)	--	(5,959)
Equipment and furnishings	(6,183)	(421)	--	(6,604)
Infrastructure	(23,401)	(1,400)	15	(24,786)
Intangible	<u>(1,190)</u>	<u>(62)</u>	<u>--</u>	<u>(1,252)</u>
Total accumulated depreciation	<u>(36,451)</u>	<u>(2,165)</u>	<u>15</u>	<u>(38,601)</u>
Total capital assets, being depreciated, net	36,662	(1,541)	(1)	34,931
Capital assets, not being depreciated:				
Land	1,602	--	--	1,602
Construction in progress	<u>753</u>	<u>1,662</u>	<u>(210)</u>	<u>2,205</u>
Total capital assets, not being depreciated	<u>2,355</u>	<u>1,662</u>	<u>(210)</u>	<u>3,807</u>
Capital assets, net	<u>\$ 38,828</u>	<u>\$ 121</u>	<u>\$ (211)</u>	<u>\$ 38,738</u>

**NOTE 9 - DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources represent the consumption of net assets by the Plant 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.

**NOTE 10 - ACCOUNTS PAYABLE**

Accounts payable represents 2024 expenses that were paid after December 31, 2024.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 11 - ACCRUED LIABILITIES**

Accrued liabilities consisted of the following at December 31, 2024:

Accrued payroll	\$ 456,066
Accrued sales tax	808
Accrued bond interest	<u>10,154</u>
Total	<u>\$ 467,028</u>

**NOTE 12 - 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.

**NOTE 13 - UNEARNED REVENUE**

Unearned revenue relates to resources which will be applied to future years' customer rates. Unearned revenue consisted of the following at December 31, 2024:

Provision for rate refund	\$ 5,239,645
Provision for injuries and damages	<u>311,997</u>
Total	<u>\$ 5,551,642</u>

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 14 - LONG-TERM LIABILITIES**

***GENERAL OBLIGATION BONDS***

The Plant issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities of the Plant. The balances of the general obligation bonds outstanding at December 31, 2024 were as follows:

General Obligation Bonds	Serial Maturities Through	Coupon Interest Rate(s) %	Amount Outstanding as of 12/31/24
Light plant expansion	06/01/27	2.07%	\$ 900,000
Telecom	06/15/29	5.00%	190,000
Telecom	06/30/28	5.00%	70,000
Smart grid - refunding	06/30/26	5.00%	365,000
Total general obligation bonds			\$ 1,525,000

***FUTURE DEBT SERVICE***

The annual payments to retire all general obligation long-term debt outstanding as of December 31, 2024 were as follows:

	Principal	Interest	Total
2025	\$ 535,000	\$ 43,375	\$ 578,375
2026	540,000	24,563	564,563
2027	355,000	9,875	364,875
2028	55,000	3,375	58,375
2029	40,000	1,000	41,000
Total	\$ 1,525,000	\$ 82,188	\$ 1,607,188

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 14 - LONG-TERM LIABILITIES (CONTINUED)**

***CHANGES IN LONG-TERM LIABILITIES***

During the year ended December 31, 2024, the following changes occurred in long-term liabilities (in thousands):

	Beginning Balance 1/1/2024	Additions	Reductions	Total Balance 12/31/2024	Less Current Portion	Equals Long-Term Portion
Bonds payable	\$ 2,090	\$ --	\$ (565)	\$ 1,525	\$ (535)	\$ 990
Unamortized premium	<u>177</u>	<u>--</u>	<u>(58)</u>	<u>119</u>	<u>(57)</u>	<u>62</u>
Subtotal bonds	2,267	--	(623)	1,644	(592)	1,052
Net pension liability	3,536	--	(1,127)	2,409	--	2,409
Net OPEB liability	1,118	19	--	1,137	--	1,137
Compensated absences	<u>201</u>	<u>37</u>	<u>--</u>	<u>238</u>	<u>(12)</u>	<u>226</u>
Totals	<u>\$ 7,122</u>	<u>\$ 56</u>	<u>\$ (1,750)</u>	<u>\$ 5,428</u>	<u>\$ (604)</u>	<u>\$ 4,824</u>

**NOTE 15 - DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources represent the acquisition of net assets by the Plant 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. 69 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 2024 and are offset with lease receivables.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 16 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM**

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

***PLAN DESCRIPTION***

Substantially all employees of the Plant are members of the Town of Concord Contributory Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan 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's Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports which can be obtained through the Town of Concord Contributory Retirement System at Town House, Concord, Massachusetts.

***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%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
Beginning July 1, 1996	9%

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.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 16 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)**

*PLAN DESCRIPTION (CONTINUED)*

*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 four 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 Plant 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.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 16 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)**

*PLAN DESCRIPTION (CONTINUED)*

*Participant Retirement Benefits (Continued)*

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.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 16 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)**

***PLAN DESCRIPTION (CONTINUED)***

*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 Plant's contributions to the System for the year ended December 31, 2024 were \$677,816, which were equal to its actuarially determined contributions.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

For purposes of measuring the net pension liability, 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 System's fiduciary net position have been determined on the same basis as they are reported by 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 (ASSET), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS***

At December 31, 2024, the Plant reported a liability of \$2,409,270 related to its proportionate share of the net pension liability. For the current year, the net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The Plant's proportion of the net pension liability was based on a projection of the Plant's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, the Plant's proportion was 9.95% a decrease of 1.35% from the prior year.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 16 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)**

***PENSION LIABILITIES (ASSET), PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)***

For the year ended December 31, 2024, the Plant recognized pension expense of \$523,047. In addition, the Plant reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 180,818	\$ 324,684
Change of assumptions	298,842	--
Net difference between projected and actual earnings on pension plan investments	987,160	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	97,651	289,468
Contributions subsequent to the measurement date	691,372	--
Total	\$ 2,255,843	\$ 614,152

The amount reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as an increase or (decrease) in pension expense as follows:

Year Ended December 31:

2025	\$ 46,688
2026	344,134
2027	716,046
2028	(156,549)
Total	\$ 950,319

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 16 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)**

*ACTUARIAL ASSUMPTIONS*

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

Valuation date	January 1, 2023
Inflation	2.60%
Actuarial cost method	Entry age normal
Salary increases	2.50% for 10 years
Investment rate of return	6.50%
Post-retirement cost-of-living adjustment	5.00% of first \$14,000

Mortality rates were based on the following:

- Pre-retirement and beneficiary mortality: RP-2014 Healthy Employee table adjusted to 2006 and projected generationally using scale MP-2020, gender distinct.
- Mortality for retired members: RP-2014 Healthy Annuitant table adjusted to 2006 and projected generationally using scale MP-2020, gender distinct.
- Mortality for disabled members: RP-2014 Healthy Annuitant table adjusted to 2006 and projected generationally using scale MP-2020, gender distinct, ages set forward 2 years. For members retired under Accidental Disability, 40% of deaths are assumed to be from the same cause as the disability.

The actuarial assumptions used in January 1, 2023 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.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**NOTE 16 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)**

***TARGET ALLOCATIONS (CONTINUED)***

The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Global equity:	31-41%	
U.S. equity		4.19%
International equity		3.90%
Emerging equity		6.43%
Core fixed income:	12-18%	
Core bonds		2.24%
Short term fixed income		1.56%
Treasury STRIPS		1.56%
TIPS/ILBs		1.66%
Value-added fixed income	6-12%	5.07%
Private equity	13-19%	7.41%
Real estate	7-13%	3.90%
Timberland	1-7%	4.39%
Portfolio Completion (PCS)	7-13%	3.70%
Total	<u>100.00%</u>	

***DISCOUNT RATE***

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that 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.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 16 - CONCORD CONTRIBUTORY RETIREMENT SYSTEM (CONTINUED)**

***SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE***

The following presents the Plant’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Plant’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.50%) or one percentage-point higher (7.50%) than the current rate:

Year Ended	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
December 31, 2024	\$ 5,185,261	\$ 2,409,270	\$ 70,375

***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.

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS**

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 Plant pools contributions to an OPEB trust fund with the Town. See additional disclosures for the plan fiduciary net position in the Town’s June 30, 2023 Annual Comprehensive Financial Report dated May 29, 2024.

All the following OPEB disclosures are based on a measurement date of June 30, 2024.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***GENERAL INFORMATION ABOUT THE OPEB PLAN***

*Plan Description*

The Plant provides post-employment healthcare benefits for retired employees through the Plant’s plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of Massachusetts General Laws. The OPEB plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

*Benefits Provided*

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

*Funding Policy*

The Plant’s funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute.

*Plan Membership*

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	25
Active employees	<u>34</u>
Total	<u>59</u>

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

*ACTUARIAL ASSUMPTIONS AND OTHER INPUTS*

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

Inflation	2.00%
Salary increases	4.00% ultimate rate, reduced to 3.50% while receiving the following step: 4.30% for seven years
Investment rate of return	7.00% per year net of investment expenses
Discount rate	7.00%, previously 6.75%
Healthcare cost trend rates	8.00% to 9.00%, fluctuating 0.50% annually, to an ultimate rate of 5.00%
Retirees' share of benefit-related costs	Range of 37.00% to 50.00%
Participation rate	65% of eligible employees. Medicare-eligible retirees as assumed to elect a Medicare plan option at age 65

Mortality rates were based on the following:

- 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.

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

*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, 2024 are summarized in the following table:

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***TARGET ALLOCATIONS (CONTINUED)***

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Debt securities	34.90%	3.10%
Equity securities	65.00%	4.70%
Short-term securities	0.10%	1.00%
Total	100.00%	

***CONTRIBUTIONS***

In addition to the implicit subsidy contribution, the Plant’s policy is to contribute the actuarially determined contribution.

***DISCOUNT RATE***

The discount rate used to measure the net OPEB liability was 7.00% for the year ended June 30, 2024. 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.

***NET OPEB LIABILITY***

The components of the net OPEB liability, measured as of June 30, 2024 were as follows:

Total OPEB liability	\$ 3,491,606
Less: Plan fiduciary net position	(2,354,125)
Net OPEB liability	\$ 1,137,481
Plan fiduciary net position as a percentage of the total OPEB liability	67.42%

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.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***CHANGES IN THE NET OPEB LIABILITY***

The following summarizes the changes in the net OPEB liability for the year ending December 31, 2024:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, beginning of year	\$ 3,122,093	\$ 2,004,515	\$ 1,117,578
Changes for the year:			
Service cost	110,377	--	110,377
Interest	427,815	--	427,815
Contributions - employer	--	260,714	(260,714)
Net investment income	--	257,575	(257,575)
Benefit payments	(168,679)	(168,679)	--
Net Changes	369,513	349,610	19,903
Balance, end of year	\$ 3,491,606	\$ 2,354,125	\$ 1,137,481

***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:

Years Ended	1% Decrease	Current Discount Rate	1% Increase
December 31, 2024	\$ 1,574,992	\$ 1,137,481	\$ 776,128

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***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:

Years Ended	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
December 31, 2024	\$692,586	\$1,137,481	\$1,689,844

***OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED (INFLOWS) OF RESOURCES RELATED TO OPEB***

For the year ended December 31, 2024, the Plant recognized an OPEB expense of \$(49,763). At December 31, 2024, the Plant reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 66,504	\$ --
Change in assumptions	23,297	150,889
Difference between expected and actual experience	63,843	270,190
Changes in proportion and differences between contributions and proportionate share of contributions	577,599	876,044
Net difference between projected and actual OPEB investment earnings	--	79,039
Total	\$ 731,243	\$ 1,376,162

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 17 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED (INFLOWS) OF RESOURCES RELATED TO OPEB (CONTINUED)***

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as an increase or (decrease) in OPEB expense as follows:

<u>Year Ended December 31:</u>	
2025	\$ (283,771)
2026	(193,977)
2027	(197,212)
2028	(37,008)
2029	<u>545</u>
Total	<u>\$ (711,423)</u>

**NOTE 18 - PARTICIPATION IN MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY**

The Town of Concord, acting through the 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 Plant is a 2.080% entitlement holder in the Massachusetts allocation of the NYPA firm and peaking energy. The contracts are for the life of the units and the 2024 average energy price under the NYPA contract was \$0.0492kWh.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 19 - RETURN ON INVESTMENT TO TOWN OF CONCORD**

The return on investment to the Town of Concord also referred to as “payment in lieu of taxes” (PILOT) is used with reference to the interfund transfer within the municipal corporate entity because it is the language used in the statute authorizing the establishment and operation of municipal light plants (MGL Ch. 164). The Plant’s PILOT is a transfer from the Plant to the Town’s General Fund.

The particular method in arriving at an appropriate amount of this transfer is not prescribed by statute, but rather the Town’s specific amount has been derived from a formula worked out jointly by the Finance Department and the Plant and approved by the Town Manager. The formula is based upon the last full years kWh sales multiplied by \$0.00275.

**NOTE 20- COMMITMENTS AND CONTINGENCIES**

***OUTSTANDING LEGAL ISSUES***

On an ongoing basis, there are typically pending legal issues in which the Plant is involved. The Plant’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.

**NOTE 21 - 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 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 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.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

---

**NOTE 21 - RENEWABLE ENERGY CERTIFICATES (CONTINUED)**

Information regarding the Plant’s calendar year ending December 31, 2024 REC holdings is as follows:

		Banked Certificates	Estimated Value
12/31/2024	MA Class I	70,849	\$ 2,760,809

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 for RECs and the Plant does not have a formal policy for the future disposition of RECs, the estimated fair value of the Plant’s REC holdings at December 31, 2024 is not recognized as an asset in the financial statements.

**NOTE 22 - NEW PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 101, Compensated Absences, and GASB Statement No. 102, Certain Risk Disclosures, both effective for the Plant beginning in 2024. Implementation of these standards did not have a significant impact on the Plant’s financial statements for the year ended December 31, 2024. GASB has also issued Statement No. 103, Financial Reporting Model Improvements, and Statement No. 104, Disclosure of Certain Capital Assets, both effective for fiscal years beginning after June 15, 2025, as well as Statement No. 105, Subsequent Events, effective for fiscal years beginning after June 15, 2026. The Plant is evaluating the potential impact of these future pronouncements on its financial statements.

**NOTE 23 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 19, 2026, which is the date the financial statements were available to be issued.

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
*(Unaudited)*

Concord Contributory Retirement System						
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, 2024	December 31, 2023	9.95%	\$ 2,409,270	\$ 4,341,755	55.49%	90.24%
December 31, 2023	December 31, 2022	11.30%	\$ 3,535,807	\$ 4,449,410	79.47%	86.75%
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	8.20%	\$ 2,643,809	\$ 2,583,283	102.34%	81.85%
December 31, 2016	December 31, 2015	9.04%	\$ 2,487,542	\$ 2,647,220	93.97%	80.73%
December 31, 2015	December 31, 2014	10.57%	\$ 1,639,399	\$ 2,783,014	58.91%	88.04%

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

*See independent auditors' report.*

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS**

*(Unaudited)*

---

Concord Contributory Retirement System

---

Fiscal Year	Measurement Date	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2024	December 31, 2023	\$ 677,816	\$ 677,816	\$ --	\$ 4,341,755	15.61%
December 31, 2023	December 31, 2022	\$ 753,957	\$ 753,957	\$ --	\$ 4,449,410	16.95%
December 31, 2022	December 31, 2021	\$ 666,537	\$ 666,537	\$ --	\$ 4,104,812	16.24%
December 31, 2021	December 31, 2020	\$ 650,908	\$ 650,908	\$ --	\$ 3,769,869	17.27%
December 31, 2020	December 31, 2019	\$ 752,565	\$ 752,565	\$ --	\$ 4,468,346	16.84%
December 31, 2019	December 31, 2018	\$ 572,244	\$ 572,244	\$ --	\$ 3,424,758	16.71%
December 31, 2018	December 31, 2017	\$ 347,354	\$ 347,354	\$ --	\$ 2,109,619	16.47%
December 31, 2017	December 31, 2016	\$ 423,095	\$ 423,095	\$ --	\$ 2,583,283	16.38%
December 31, 2016	December 31, 2015	\$ 423,095	\$ 423,095	\$ --	\$ 2,647,220	15.98%
December 31, 2015	December 31, 2014	\$ 403,515	\$ 403,515	\$ --	\$ 2,783,014	14.50%

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

*See independent auditors' report.*

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY  
(Unaudited)**

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service cost	\$ 110,377	\$ 85,311	\$ 139,786	\$ 104,047	\$ 81,473	\$ 89,258	\$ 89,218
Interest	427,815	186,411	873,014	233,339	223,249	200,587	242,729
Changes of benefit terms	--	(873,699)	--	14,751	--	1,321	--
Differences between expected and actual experience	--	76,982	--	(541,134)	(387,025)	63,915	96,636
Changes of assumptions	--	(74,454)	--	(222,077)	119,168	--	164,896
Benefit payments, including refunds of member contributions	(168,679)	(130,762)	(190,002)	(144,276)	(122,900)	(146,101)	(129,591)
<b>Net Change in Total OPEB Liability</b>	369,513	(730,211)	822,798	(555,350)	(86,035)	208,980	463,888
<b>Total OPEB Liability - Beginning</b>	<u>3,122,093</u>	<u>3,852,304</u>	<u>3,029,506</u>	<u>3,584,856</u>	<u>3,670,891</u>	<u>3,461,911</u>	<u>2,998,023</u>
<b>Total OPEB Liability - Ending (A)</b>	3,491,606	3,122,093	3,852,304	3,029,506	3,584,856	3,670,891	3,461,911
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	260,714	209,439	323,430	240,206	223,526	244,891	262,417
Net investment income (losses)	257,575	202,735	(359,317)	434,188	32,947	70,007	71,621
Benefit payments, including refunds of member contributions	(168,679)	(130,762)	(190,002)	(144,276)	(122,900)	(146,101)	(129,591)
<b>Net Change In Plan Fiduciary Net Position</b>	<u>349,610</u>	<u>281,412</u>	<u>(225,889)</u>	<u>530,118</u>	<u>133,573</u>	<u>168,797</u>	<u>204,447</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>2,004,515</u>	<u>1,723,103</u>	<u>1,948,992</u>	<u>1,418,874</u>	<u>1,285,301</u>	<u>1,116,504</u>	<u>912,057</u>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>2,354,125</u>	<u>2,004,515</u>	<u>1,723,103</u>	<u>1,948,992</u>	<u>1,418,874</u>	<u>1,285,301</u>	<u>1,116,504</u>
<b>Net OPEB Liability - Ending (A-B)</b>	<u>\$ 1,137,481</u>	<u>\$ 1,117,578</u>	<u>\$ 2,129,201</u>	<u>\$ 1,080,514</u>	<u>\$ 2,165,982</u>	<u>\$ 2,385,590</u>	<u>\$ 2,345,407</u>

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

*See independent auditors' report.*

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF NET OPEB LIABILITY, CONTRIBUTIONS, AND INVESTMENT RETURNS  
(Unaudited)**

	2024	2023	2022	2021	2020	2019	2018
<b>Schedule of Net OPEB Liability</b>							
Total OPEB liability	\$ 3,491,606	\$ 3,122,093	\$ 3,852,304	\$ 3,029,506	\$ 3,584,856	\$ 3,670,891	\$ 3,461,911
Plan fiduciary net position	<u>2,354,125</u>	<u>2,004,515</u>	<u>1,723,103</u>	<u>1,948,992</u>	<u>1,418,874</u>	<u>1,285,301</u>	<u>1,116,504</u>
Net OPEB liability	<u>\$ 1,137,481</u>	<u>\$ 1,117,578</u>	<u>\$ 2,129,201</u>	<u>\$ 1,080,514</u>	<u>\$ 2,165,982</u>	<u>\$ 2,385,590</u>	<u>\$ 2,345,407</u>
Plan fiduciary net position as a percentage of the total OPEB liability	67.42%	64.20%	44.73%	64.33%	39.58%	35.01%	32.25%
Covered employee payroll	\$ 4,162,449	\$ 3,437,997	\$ 5,974,795	\$ 3,252,501	\$ 3,149,976	\$ 3,422,839	Unavailable
Participating employer net OPEB liability as a percentage of covered employee payroll	27.33%	32.51%	35.64%	33.22%	68.76%	69.70%	Unavailable
	2024	2023	2022	2021	2020	2019	2018
<b>Schedule of Contributions</b>							
Actuarially determined contribution	\$ 260,714	\$ 209,439	\$ 323,430	\$ 240,206	\$ 223,526	\$ 244,891	\$ 261,460
Contributions in relation to the actuarially determined contribution	<u>260,714</u>	<u>209,439</u>	<u>323,430</u>	<u>240,206</u>	<u>223,526</u>	<u>244,891</u>	<u>262,417</u>
Contribution (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (957)</u>
Covered employee payroll	\$ 4,162,449	\$ 3,437,997	\$ 5,974,795	\$ 3,252,501	\$ 3,149,976	\$ 3,422,839	Unavailable
Contributions as a percentage of covered employee payroll	6.26%	6.09%	5.41%	7.39%	7.10%	7.15%	Unavailable
	2024	2023	2022	2021	2020	2019	2018
<b>Schedule of Investment Returns</b>							
Annual money weighted rate of return, net of investment expense	12.19%	13.30%	-12.64%	32.65%	2.91%	6.16%	7.24%

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

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

*See independent auditors' report.*

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**SUPPLEMENTARY STATEMENT  
COMBINING STATEMENT OF NET POSITION**

**DECEMBER 31, 2024**

*(with summarized comparative information as of December 31, 2023)*

	2024				2023			
	Light Fund	Broadband Fund	Eliminations	Total	Light Fund	Broadband Fund	Eliminations	Total
<b>Assets</b>								
<b>Current Assets</b>								
Unrestricted cash and short-term investments	\$ 2,027,846	\$ 680,100	\$ --	\$ 2,707,946	\$ 1,177,631	\$ 345,094	\$ -	\$ 1,522,725
Accounts receivable, net of allowance for uncollectible	5,347,688	138,949	--	5,486,637	5,158,500	122,994	-	5,281,494
Prepaid expenses	4,271,962	14,551	--	4,286,513	4,272,675	24,337	-	4,297,012
Inventory	1,186,674	152,370	--	1,339,044	1,136,584	168,690	-	1,305,274
Due from other entities	149,200	16,080	(15,087)	150,193	-	-	-	-
Leases receivable	59,245	39,180	--	98,425	14,626	50,696	-	65,322
Other current assets	6,103	1,716	--	7,819	22,713	1,909	-	24,622
<b>Total Current Assets</b>	<b>13,048,718</b>	<b>1,042,946</b>	<b>(15,087)</b>	<b>14,076,577</b>	<b>11,782,729</b>	<b>713,720</b>	<b>-</b>	<b>12,496,449</b>
<b>Noncurrent Assets</b>								
Restricted cash	20,044,054	1,016	--	20,045,070	15,487,561	5,360	-	15,492,921
Investment in associated companies	791,345	--	--	791,345	782,056	-	-	782,056
Due from Broadband	1,650,000	--	(1,650,000)	--	1,750,000	-	(1,750,000)	-
Leases receivable, net of current portion	--	453,162	--	453,162	-	253,187	-	253,187
Capital assets:								
Land and construction in progress	3,798,558	8,273	--	3,806,831	2,352,468	2,102	-	2,354,570
Other capital assets, net of accumulated depreciation	32,291,751	2,639,665	--	34,931,416	33,827,225	2,646,767	-	36,473,992
<b>Total Noncurrent Assets</b>	<b>58,575,708</b>	<b>3,102,116</b>	<b>(1,650,000)</b>	<b>60,027,824</b>	<b>54,199,310</b>	<b>2,907,416</b>	<b>(1,750,000)</b>	<b>55,356,726</b>
<b>Total Assets</b>	<b>71,624,426</b>	<b>4,145,062</b>	<b>(1,665,087)</b>	<b>74,104,401</b>	<b>65,982,039</b>	<b>3,621,136</b>	<b>(1,750,000)</b>	<b>67,853,175</b>
<b>Deferred Outflows of Resources</b>								
Related to pension	1,941,153	314,690	--	2,255,843	2,976,089	482,468	-	3,458,557
Related to OPEB	622,405	108,838	--	731,243	556,144	133,201	-	689,345
<b>Total Deferred Outflows of Resources</b>	<b>2,563,558</b>	<b>423,528</b>	<b>--</b>	<b>2,987,086</b>	<b>3,532,233</b>	<b>615,669</b>	<b>-</b>	<b>4,147,902</b>

*See independent auditors' report.*

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**SUPPLEMENTARY STATEMENT  
COMBINING STATEMENT OF NET POSITION (CONTINUED)**

**DECEMBER 31, 2024**

*(with summarized comparative information as of December 31, 2023)*

	2024				2023			
	Light Fund	Broadband Fund	Eliminations	Total	Light Fund	Broadband Fund	Eliminations	Total
<b>Liabilities</b>								
<b>Current Liabilities</b>								
Accounts payable	7,817,095	42,588	--	7,859,683	5,570,251	(10,601)	-	5,559,650
Accrued liabilities	403,663	63,365	--	467,028	298,107	35,626	-	333,733
Customer deposits	764,017	--	--	764,017	710,707	-	-	710,707
Customer advances for construction	514,158	1,016	--	515,174	373,133	5,360	-	378,493
Unearned revenue	5,515,412	36,230	--	5,551,642	4,385,436	31,550	-	4,416,986
Due to other entities	124,980	15,487	(15,087)	125,380	-	-	-	-
Current portion of long-term liabilities:								
Bonds payable	527,926	64,015	--	591,941	561,476	62,015	-	623,491
Compensated absences	10,918	972	--	11,890	9,372	662	-	10,034
<b>Total Current Liabilities</b>	<u>15,678,169</u>	<u>223,673</u>	<u>(15,087)</u>	<u>15,886,755</u>	<u>11,908,482</u>	<u>124,612</u>	<u>-</u>	<u>12,033,094</u>
<b>Noncurrent Liabilities</b>								
Due to Light	--	1,650,000	(1,650,000)	--	-	1,750,000	(1,750,000)	-
Bonds payable, net of current portion	818,271	232,799	--	1,051,070	1,346,197	296,814	-	1,643,011
Net pension liability	2,073,177	336,093	--	2,409,270	3,042,562	493,245	-	3,535,807
Net OPEB liability	1,041,330	96,151	--	1,137,481	1,013,326	104,252	-	1,117,578
Compensated absences, net of current portion	207,434	18,467	--	225,901	178,074	12,574	-	190,648
<b>Total Noncurrent Liabilities</b>	<u>4,140,212</u>	<u>2,333,510</u>	<u>(1,650,000)</u>	<u>4,823,722</u>	<u>5,580,159</u>	<u>2,656,885</u>	<u>(1,750,000)</u>	<u>6,487,044</u>
<b>Total Liabilities</b>	<u>19,818,381</u>	<u>2,557,183</u>	<u>(1,665,087)</u>	<u>20,710,477</u>	<u>17,488,641</u>	<u>2,781,497</u>	<u>(1,750,000)</u>	<u>18,520,138</u>
<b>Deferred Inflows of Resources</b>								
Related to pension	528,478	85,674	--	614,152	745,511	120,858	-	866,369
Related to OPEB	1,266,309	109,853	--	1,376,162	1,482,100	127,196	-	1,609,296
Related to leases	59,245	492,342	--	551,587	14,626	303,883	-	318,509
<b>Total Deferred Inflows of Resources</b>	<u>1,854,032</u>	<u>687,869</u>	<u>--</u>	<u>2,541,901</u>	<u>2,242,237</u>	<u>551,937</u>	<u>-</u>	<u>2,794,174</u>
<b>Net Position</b>								
Net investment in capital assets	34,744,112	2,351,124	--	37,095,236	34,272,020	2,290,041	-	36,562,061
Restricted for depreciation fund	9,031,746	--	--	9,031,746	7,000,140	-	-	7,000,140
Unrestricted	8,739,713	(1,027,586)	--	7,712,127	8,511,234	(1,386,670)	-	7,124,564
<b>Total Net Position</b>	<u>\$ 52,515,571</u>	<u>\$ 1,323,538</u>	<u>\$ --</u>	<u>\$ 53,839,109</u>	<u>\$ 49,783,394</u>	<u>\$ 903,371</u>	<u>\$ -</u>	<u>\$ 50,686,765</u>

*See independent auditors' report.*

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**SUPPLEMENTARY STATEMENT  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(with summarized comparative information as of December 31, 2023)*

	2024			2023		
	Light Fund	Broadband Fund	Total	Light Fund	Broadband Fund	Total
<b>Operating Revenues</b>						
Electric sales	\$ 32,542,515	\$ 268,942	\$ 32,811,457	\$ 30,340,785	\$ 238,848	\$ 30,579,633
Internet sales	--	1,409,124	1,409,124	-	1,311,012	1,311,012
Rate refund	(1,103,457)	--	(1,103,457)	(496,211)	-	(496,211)
Underground surcharge	514,171	--	514,171	507,667	-	507,667
Renewable energy certificate revenue	2,332,656	--	2,332,656	3,274,006	-	3,274,006
Other operating revenue	120,437	13,488	133,925	101,574	18,863	120,437
<b>Total Operating Revenues</b>	<b>34,406,322</b>	<b>1,691,554</b>	<b>36,097,876</b>	<b>33,727,821</b>	<b>1,568,723</b>	<b>35,296,544</b>
<b>Operating Expenses</b>						
Purchase power	22,330,269	207,611	22,537,880	21,479,653	213,459	21,693,112
Salaries and benefits	3,090,514	674,239	3,764,753	3,292,305	654,508	3,946,813
Other operating expenses	1,869,493	180,951	2,050,444	1,247,327	165,456	1,412,783
Depreciation	2,070,224	95,533	2,165,757	1,980,640	88,788	2,069,428
Customer accounts	1,557,603	26,477	1,584,080	1,729,635	27,010	1,756,645
Distribution	1,161,320	182,650	1,343,970	1,419,945	168,184	1,588,129
Transmission	103,852	--	103,852	99,220	-	99,220
<b>Total Operating Expenses</b>	<b>32,183,275</b>	<b>1,367,461</b>	<b>33,550,736</b>	<b>31,248,725</b>	<b>1,317,405</b>	<b>32,566,130</b>
Operating Income	2,223,047	324,093	2,547,140	2,479,096	251,318	2,730,414
<b>Nonoperating Revenues (Expenses)</b>						
Interest income	975,994	--	975,994	727,342	-	727,342
Interest expense	(72,592)	(13,771)	(86,363)	(79,621)	(16,358)	(95,979)
Loss on disposal of capital assets	(27,647)	(236)	(27,883)	(42,258)	(236)	(42,494)
Other expenses	(53,217)	(8,760)	(61,977)	(44,095)	(15,020)	(59,115)
Other revenues	148,342	118,841	267,183	382,710	111,168	493,878
<b>Total Nonoperating Revenues (Expenses), Net</b>	<b>970,880</b>	<b>96,074</b>	<b>1,066,954</b>	<b>944,078</b>	<b>79,554</b>	<b>1,023,632</b>
<b>Income Before Transfers</b>	<b>3,193,927</b>	<b>420,167</b>	<b>3,614,094</b>	<b>3,423,174</b>	<b>330,872</b>	<b>3,754,046</b>
<b>Return on investment - Transfer to Town of Concord</b>	<b>(461,750)</b>	<b>--</b>	<b>(461,750)</b>	<b>(377,500)</b>	<b>-</b>	<b>(377,500)</b>
<b>Change in Net Position</b>	<b>2,732,177</b>	<b>420,167</b>	<b>3,152,344</b>	<b>3,045,674</b>	<b>330,872</b>	<b>3,376,546</b>
<b>Net Position - Beginning of Year</b>	<b>49,783,394</b>	<b>903,371</b>	<b>50,686,765</b>	<b>46,737,720</b>	<b>572,499</b>	<b>47,310,219</b>
<b>Net Position - End of Year</b>	<b>\$ 52,515,571</b>	<b>\$ 1,323,538</b>	<b>\$ 53,839,109</b>	<b>\$ 49,783,394</b>	<b>\$ 903,371</b>	<b>\$ 50,686,765</b>

*See independent auditors' report.*

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**SUPPLEMENTARY STATEMENT  
COMBINING STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(with summarized comparative information as of December 31, 2023)*

	2024				2023			
	Light Fund	Broadband Fund	Eliminations	Total	Light Fund	Broadband Fund	Eliminations	Total
<b>Cash Flows From Operating Activities</b>								
Receipts from customers and users	\$ 35,400,420	\$ 1,680,279	\$ --	\$ 37,080,699	\$ 34,624,985	\$ 1,569,309	\$ --	\$ 36,194,294
Payments to vendors and employees	(28,051,237)	(1,189,074)	--	(29,240,311)	(30,656,849)	(1,231,459)	--	(31,888,308)
<b>Net Cash Provided By Operating Activities</b>	<b>7,349,183</b>	<b>491,205</b>	<b>--</b>	<b>7,840,388</b>	<b>3,968,136</b>	<b>337,850</b>	<b>--</b>	<b>4,305,986</b>
<b>Cash Flows From Noncapital Financing Activities</b>								
Return on investment to Town of Concord	(461,750)	--	--	(461,750)	(377,500)	--	--	(377,500)
Other expenses	(53,217)	(8,760)	--	(61,977)	(44,095)	(15,021)	--	(59,116)
Other revenues	97,316	109,826	--	207,142	396,083	102,153	--	498,236
<b>Net Cash Provided By (Used For) Noncapital Financing Activities</b>	<b>(417,651)</b>	<b>101,066</b>	<b>--</b>	<b>(316,585)</b>	<b>(25,512)</b>	<b>87,132</b>	<b>--</b>	<b>61,620</b>
<b>Cash Flows From Capital and Related Financing Activities</b>								
Acquisition and construction of capital assets	(1,980,840)	(94,838)	--	(2,075,678)	(2,678,016)	(202,312)	--	(2,880,328)
Principal payments on bonds	(512,000)	(53,000)	--	(565,000)	(510,000)	(50,000)	--	(560,000)
Proceeds from loans	100,000	--	(100,000)	--	75,000	--	(75,000)	--
Principal payments on loans	--	(100,000)	100,000	--	--	(75,000)	75,000	--
Interest expense	(98,689)	(13,771)	--	(112,460)	(79,621)	(16,358)	--	(95,979)
<b>Net Cash (Used For) Capital and Related Financing Activities</b>	<b>(2,491,529)</b>	<b>(261,609)</b>	<b>--</b>	<b>(2,753,138)</b>	<b>(3,192,637)</b>	<b>(343,670)</b>	<b>--</b>	<b>(3,536,307)</b>
<b>Cash Flows From Investing Activities</b>								
Investment income	966,705	--	--	966,705	727,342	--	--	727,342
<b>Net Cash Provided By Investing Activities</b>	<b>966,705</b>	<b>--</b>	<b>--</b>	<b>966,705</b>	<b>727,342</b>	<b>--</b>	<b>--</b>	<b>727,342</b>
<b>Net Change in Cash and Short-Term Investments</b>	<b>5,406,708</b>	<b>330,662</b>	<b>--</b>	<b>5,737,370</b>	<b>1,477,329</b>	<b>81,312</b>	<b>--</b>	<b>1,558,641</b>
<b>Cash and Short Term Investments, Beginning of Year</b>	<b>16,665,192</b>	<b>350,454</b>	<b>--</b>	<b>17,015,646</b>	<b>15,187,863</b>	<b>269,142</b>	<b>--</b>	<b>15,457,005</b>
<b>Cash and Short Term Investments, End of Year</b>	<b>\$ 22,071,900</b>	<b>\$ 681,116</b>	<b>\$ --</b>	<b>\$ 22,753,016</b>	<b>\$ 16,665,192</b>	<b>\$ 350,454</b>	<b>\$ --</b>	<b>\$ 17,015,646</b>

*See independent auditors' report.*

**TOWN OF CONCORD, MASSACHUSETTS  
CONCORD MUNICIPAL LIGHT PLANT**

**SUPPLEMENTARY STATEMENT  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2024**

*(with summarized comparative information as of December 31, 2023)*

	2024				2023			
	Light Fund	Broadband Fund	Eliminations	Total	Light Fund	Broadband Fund	Eliminations	Total
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>								
Operating income	\$ 2,223,047	\$ 324,093	\$ --	\$ 2,547,140	\$ 2,479,096	\$ 251,318	\$ --	\$ 2,730,414
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:								
Depreciation	2,070,224	95,533	--	2,165,757	1,980,640	88,788	--	2,069,428
Changes in assets, liabilities, and deferred outflows/inflows:								
Accounts receivable	(189,188)	(15,955)	--	(205,143)	266,372	(1,424)	--	264,948
Prepaid expenses	713	9,786	--	10,499	(1,017,234)	36,376	--	(980,858)
Inventory	(50,090)	16,320	--	(33,770)	(15,196)	1,517	--	(13,679)
Other assets	16,610	(3,944)	--	12,666	--	(1,546)	--	(1,546)
Due from other entities	(149,200)	--	--	(149,200)	--	--	--	--
Accounts payable	2,246,844	53,189	--	2,300,033	(509,416)	(86,316)	--	(595,732)
Accrued liabilities	105,557	15,796	--	121,353	22,040	4,813	--	26,853
Due to other entities	124,980	15,487	--	140,467	--	--	--	--
Customer advances for construction	141,024	(4,344)	--	136,680	122,597	(27)	--	122,570
Unearned revenue	1,129,976	4,680	--	1,134,656	505,119	2,010	--	507,129
Net pension liability and related deferrals	(151,482)	(24,558)	--	(176,040)	294,412	47,729	--	342,141
Net OPEB liability and related deferrals	(254,048)	(1,081)	--	(255,129)	(302,422)	(3,662)	--	(306,084)
Other liabilities	84,216	6,203	--	90,419	142,128	(1,726)	--	140,402
<b>Net Cash Provided By Operating Activities</b>	<u>\$ 7,349,183</u>	<u>\$ 491,205</u>	<u>\$ --</u>	<u>\$ 7,840,388</u>	<u>\$ 3,968,136</u>	<u>\$ 337,850</u>	<u>\$ --</u>	<u>\$ 4,305,986</u>

*See independent auditors' report.*

**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 Municipal Lighting Board  
**Concord Municipal Light Plant**

We have audited, in accordance with the 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*"), the financial statements of the Concord Municipal Light Plant (the "Plant"), a component unit of the Town of Concord, Massachusetts, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Plant's basic financial statements, and have issued our report thereon dated February 19, 2026.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Plant'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 Plant's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plant'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 Plant'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 were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of financial statement findings as item MW-2024-001 that we consider to be a material weakness.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Plant'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*.

### ***Plant's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Plant's response to the finding identified in our audit and described in the accompanying schedule of financial statement findings. The Plant's response was not subjected to 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 Plant's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***CBIZ CPAs P.C.***

Merrimack, NH  
February 19, 2026

## FINANCIAL STATEMENT FINDINGS

### *RECONCILE CASH ON A TIMELY BASIS - MATERIAL WEAKNESS*

#### *MW-2024-001*

##### **Criteria**

Effective internal controls require that management have procedures in place to reconcile cash as reported in the general ledger with the Treasurer's cash book.

##### **Condition and Context**

During calendar year 2024, the Plant did not complete reconciliations of its unrestricted cash accounts between its ERP system and Town records until approximately 12 months after year-end.

##### **Cause**

Turnover in the Plant's Accounting and Town's Treasurer/Collector positions, and a computer system conversion caused the delay in reconciliation.

##### **Effect or Potential Effect**

Interim and year-end financial reports could have been materially misstated. Some audit procedures could not be completed until reconciliations were provided, increasing the risk of errors or irregularities related to cash balances.

##### **Recommendation**

CMLP and the Town should reconcile all key accounts monthly. Completed reconciliations should be reviewed and approved by the Finance Director. If reconciliations fall behind, management should consider outsourcing or external assistance.

##### **Views of Responsible Official**

Management accepts the finding and concurs with the recommendation to prioritize timely monthly reconciliations. While CMLP maintains ultimate responsibility for its financial records, the reconciliation process is inherently integrated with the Town's Treasury functions, as CMLP is bound by statute to utilize the Town's centralized cash management services. During the 2024 calendar year, several systemic and transitional challenges occurred simultaneously that hindered the reconciliation timeline. Specifically, CMLP faced significant technical hurdles caused by a lack of a dedicated bank account and a persistent posting lag between the Light Plant's ERP system (NISC) and the Town's financial system (Munis). These structural issues were compounded by a period of turnover in key personnel within the Town and CMLP Finance departments, alongside a complex Town accounting system conversion.

To remediate these challenges and ensure future compliance with GASB internal control standards, Management has established the following process improvements:

In response to related material audit findings, the Town's Chief Financial Officer has implemented a formal commitment to complete all month-end reconciliations between the Deputy Treasurer and Town Accountant within a 45-day timeframe. As CMLP's cash reconciliation is a downstream process that relies upon accurate balances within the Town's system, this new control provides the necessary assurance to allow CMLP to meet its own 90-day reconciliation target, consistent with historical practices.

In December 2025, CMLP Management proactively engaged CliftonLarsonAllen (CLA) to perform a transaction-by-transaction forensic reconciliation between the NISC and Munis systems dating back to

January 2023. This process identifies lagging entries (such as police detail and interdepartmental transfers) that have historically bypassed standard monthly matching. Completion of the forensic process will establish a verified baseline for January 1, 2025 and eliminate the moving target of beginning balances that hampered previous cycles. As of February 2026, CLA has successfully reconciled 16 of the 24 months in question (through April 2024). Moving forward, using the methodology established in the forensic reconciliation, the CMLP Finance Manager will maintain the reconciliation process with a target completion of 90 days in conjunction with monthly close, contingent upon the Town's adherence to its 45-day closing commitment.

Management and the Town have evaluated the feasibility of a separate bank account for CMLP. However, due to the complexity of consolidated utilities billed through the NISC ERP, it was determined that a separate account would currently introduce a higher risk of error. The Town remains committed to exploring this option further should future changes to the billing system or enterprise structure allow for a more streamlined approach.



**Town of Concord**  
**Financial Audit Advisory Committee**  
AGENDA ACTION REQUEST  
February 26, 2026

**5**

---

**Discussion:**  
**FY24 CCRSD Audit, CY24 CMLP Audit,**  
**Audit Process & Schedule**

Review upcoming timelines

**Requested by: FAAC Chair**

**Action Sought: Discussion**

**Proposed Motion(s)**

Discussion dependent

**Additional Information**

**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  
February 26, 2026

**6**

---

## 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>