

Town of Concord
Concord Financial Audit Advisory Committee
AGENDA

April 1, 2026, at 9:00 AM
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

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 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.***

9:00 AM	1. Call to Order and Introductions
9:05 AM	2. Public Comment Public Comment is limited to up to 10 minutes, with no more than 3 minutes allocated to any one speaker. Public Comment is limited to items that are not on the agenda.
9:15 AM	3. Minutes <ul style="list-style-type: none"> • Approve the minutes of March 9, 2026
9:20 AM	4. Follow-up items from FY24 Town and CY2024 CMLP Audit <ul style="list-style-type: none"> • Corrected & Uncorrected Misstatements • Single Audit results • Materiality impacts
9:30 AM	5. FY24 CCRSD Audit Discussion <ul style="list-style-type: none"> • Presentation & Review of final audit and management letter • Discuss issues and recommendation for summary report to CCRSD School Committee
9:50 AM	6. Auditor Discussion <ul style="list-style-type: none"> • CCRSD feedback on auditor communications, process and timing • Committee charge and contract authority • FAAC auditor evaluation
10:15 AM	7. Summary Audit Report <ul style="list-style-type: none"> • FY2024 Town Letter • CY2024 CMLP letter
10:45 AM	8. Other Business <ul style="list-style-type: none"> • Set date for next meeting • Any other business
11:00 AM	9. Adjournment



Town of Concord
Financial Audit Advisory Committee
AGENDA ACTION REQUEST
April 1, 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)
- Chris Schaffner, CMLP Board Representative (term exp. 5/31/28)
- 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
April 1, 2026

3

Minutes

Approve the minutes of March 9, 2026

Requested by: FAAC Chair

Action Sought: Approval

Proposed Motion(s)

MOVE to approve the minutes from the March 9th, 2026 meeting

Additional Information

Attached is a copy of the minutes of the March 9th, 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 March 9, 2026
Financial Audit Advisory Committee Meeting
Hybrid Meeting

Members Present

Wendy Rovelli, Select Board Representative; Bruce Button, At-Large Member; Brehm Feigh, At-Large Member; Brian Waterson, Concord-Carlisle Regional School Committee Representative; Court Booth, At-Large Member

Members Absent

Sandeep Pisharody, School Committee Representative

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; Jason Bulger, Director of the Concord Municipal Light Plant (CMLP); Nan Okarma, CMLP Financial Manager/Accountant

1. Call to Order

Select Board Representative Wendy Rovelli called the Financial Audit Advisory Committee (FAAC) meeting to order at 1:02 p.m.

2. Public Comment

No public comments were received.

3. Minutes

A motion was made to approve the minutes of February 26th, 2026.

Vote: Unanimous. Motion passed.

4. FY24 Town Audit & CY24 CMLP Audit Discussion

The Committee reviewed a substantial meeting packet compiled in response to information requests made at the February 11th and February 26th meetings. The engagement letters from Roselli, Clark & Associates (RCA), who is currently working on the FY25 Town audit, and CBIZ, which completed the FY24 Town and CY24 CMLP audits, were included in the packet. The CBIZ engagement letter was signed by the Town in fall of 2024, approximately one year before the financial statements were finalized. Substantive audit activity did not begin until spring of 2025, in part due to the Town's Enterprise Resource Planning (ERP) transition, and CBIZ worked entirely remotely. All required documentation was confirmed received by late summer; final financial statements were not received until late fall of 2025.

The Committee reviewed the management letter timeline. A verbal confirmation of a control weakness was provided in early November, followed by a draft management letter in early December. The Town's formal response was returned in late December, and the finalized letter came back within days, post-dated to the November financial

statement issuance date, which is standard practice. Ms. Rovelli noted that the unusual sequence meant the Select Board conducted its own detailed review of the management letter in late January 2026 prior to the Committee completing its review, a reversal of the Committee's normal advisory role that is not expected to recur.

The auditor selection process was raised as a separate concern. Ms. Rovelli noted that the FAAC charge contemplates the FAAC's involvement in auditor selection and references the use of a single auditor across Town and CCRSD audits. Ms. Lafleur acknowledged that the transition to RCA happened quickly, as the firm had been approached to work on the FY26 audit, but was available to begin work on the FY25 audit. and that greater visibility and involvement of the Committee should have occurred. The committee agreed to discuss the FAAC charge provisions and auditor selection at the next meeting, including implications for the regional school district audit, for which CBIZ's contract continues through FY25.

The following items remained outstanding for follow-up with Scott McIntire of CBIZ, who is expected to attend the next meeting: a list of roster adjustments (corrected misstatements incorporated during the audit); confirmation of whether any uncorrected misstatements existed; clarification regarding the database into which material findings were uploaded; confirmation of any grant-reporting obligations triggered by the material weakness; and the materiality thresholds applied by CBIZ. Mr. Button separately requested copies of the CliftonLarsonAllen (CLA) engagement letters.

The Committee reviewed organizational charts compiled in six-month intervals covering the Finance Administration and Accounting Divisions from July 2023 through the current period, as well as the Concord Municipal Light Plant (CMLP) finance team. The charts documented significant staff turnover, including an extended vacancy in the Assistant Town Accountant position that weakened second-reviewer controls for ledger posting and journal entries. The finance team is currently fully staffed. Departmental organizational charts are also available online through the budget book.

Ms. Rovelli asked about staff training on the Munis ERP system. The Committee was advised that internal cross-training is ongoing and that a broader curriculum is being developed for departmental staff covering report writing, budget review, and journal entry timeliness, with the goal of enabling departments to self-identify posting gaps. Modules continue to be rolled out, and a proposed Point of Sale (POS) system to allow payments to be posted directly in Munis at the Treasurer/Collector's and Town Clerk's Offices is the subject of a pending Town Meeting article. A potential utility billing module is under evaluation, and broader system integration questions are expected to be taken up following Town Meeting.

Ms. Okarma and Mr. Bulger provided an update on the CMLP cash reconciliation. CLA was engaged to reconcile CY23 and CY24 CMLP cash after the volume and complexity of transactions, which made staff completion impractical. The reconciliation through November 2024 is substantially complete, with the December close expected imminently. The largest variance identified relates to an Other Post Employment

Benefits (OPEB) entry booked in different periods between the Town and CMLP systems, with a smaller number of police detail discrepancies also noted. Once CLA's report is received, remaining variances will be reviewed and adjusting entries made.

Mr. Button asked why cash reconciliation remains difficult. Ms. Okarma reiterated that a single Munis transaction often corresponds to dozens of entries in the National Information Solutions Cooperative (NISC) software, and that the two systems do not communicate directly. The Committee noted that reconciliation issues predate the Munis launch and that unreconciled balances were present when the new CFO joined in October 2023, coinciding with the Munis go-live. Mr. Bulger described the dual-entry burden this creates and noted that CBIZ convened an internal team to explore solutions, ultimately recommending CLA for further analysis. He emphasized that any path forward must preserve or strengthen controls rather than reduce them.

5. Recommendations and Next Steps

The Committee discussed what form its recommendations to the Select Board and CMLP Board should take. Given the interconnected nature of the Town and CMLP cash reconciliation issues, the two letters are expected to share some common content. Ms. Rovelli indicated she will draft letters to both boards for review at the next meeting. The Committee identified the following items for follow-up: Questions to be addressed by Mr. McIntire at the next meeting; a presentation on internal controls implemented or planned, to be scheduled after Town Meeting; an assessment of Munis capabilities and system integration options; and a benchmarking exercise comparing the cost and outputs of the Town's finance and accounting function against peer communities. Mr. Booth suggested identifying the point in the reconciliation process where the greatest risk of error occurs. Mr. Feigh emphasized the importance of examining internal controls more broadly, including areas that may not have been surfaced through the audit process itself.

Mr. Bulger provided an update on a working group that has been examining CMLP governance for approximately the past year. The CMLP has operated as a department of the Town since 1898, and a court case in the late 1980s or early 1990s raised questions about the legal relationship between the Town and the light plant under Massachusetts General Law. The Town has engaged with this governance question intermittently since that time. A proposal for a revised governance structure is expected to be brought to the Select Board in late spring or early summer of 2026, with Town Meeting authorization, if required, likely to occur at the April 2027 Annual Town Meeting. Ms. Rovelli noted this development is relevant to the Committee's work given the fiscal interdependencies between the Town and CMLP.

6. Other Business

The next meeting was scheduled for April 1, 2026, from 9:00 to 11:00 a.m., to include a review of the FY24 Concord-Carlisle Regional School District audit with Scott McIntire of CBIZ and Bob Conry of the Regional School District.

7. Adjournment

A motion was made to adjourn the meeting. The meeting was adjourned at 2:31 p.m.



Town of Concord
Financial Audit Advisory Committee
AGENDA ACTION REQUEST
April 1, 2026

4

FY24 Town Audit & CY24 CMLP Audit Follow-up

Follow-up items from the Town FY24 & CMLP CY24 Audit Results

Requested by: FAAC Chair

Action Sought: Discussion

Proposed Motion(s)

Discussion dependent

Additional Information

Discussion topics:

- Corrected & Uncorrected Misstatements
- Single Audit results
- Materiality impacts

Board Action

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



TOWN OF CONCORD, MASSACHUSETTS

INDEPENDENT AUDITORS' REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*, TITLE 2 U.S. CODE OF FEDERAL REGULATIONS (CFR), PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

FOR THE YEAR ENDED JUNE 30, 2024

TOWN OF CONCORD, MASSACHUSETTS

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**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 Select Board
Town of Concord, Massachusetts

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Concord, Massachusetts (the "Town"), as of and for the year ended June 30, 2024, (except for the Concord Contributory Retirement System and Concord Municipal Light Plant which are as of and for the year ended December 31, 2023) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 19, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town'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 findings and questioned costs as items MW-2024-001 through MW-2024-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Town's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town'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 Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity'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
November 19, 2025

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Select Board
Town of Concord, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Concord, Massachusetts' (the "Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2024. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from

fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to

be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated November 19, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

Merrimack, NH

March 23, 2026, except for the report on the Schedule of Expenditures of Federal Awards, which is dated November 19, 2025.

TOWN OF CONCORD, MASSACHUSETTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

<i>Federal Agency</i>	Federal	Pass Through	Federal	Passed
Cluster	Assistance	Identifying	Expenditures	Through to
Pass-through Agency	Listing	Number		Subrecipient
Program Title	Number	Number		
<i>U.S. Department of Agriculture</i>				
Child Nutrition Cluster				
Passed Through the Massachusetts Department of Elementary and Secondary Education				
School Breakfast Program	10.553	09-067	\$ 18,359	\$ -
National School Lunch Program - Cash Assistance	10.555	09-067	207,897	-
Total Child Nutrition Cluster			226,256	-
Total U.S. Department of Agriculture			226,256	-
<i>U.S. Department of the Treasury</i>				
Passed Through the Massachusetts Executive Office for Administration and Finance				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Unknown	238,500	-
Passed Through the Massachusetts Executive Office of Energy and Environmental Affairs				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	FSIGARPAFSP00371FY24	42,760	-
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			281,260	-
Total U.S. Department of the Treasury			281,260	-
<i>Environmental Protection Agency</i>				
Passed Through the Massachusetts Department of Environmental Protection				
Drinking Water State Revolving Fund	66.468	DW-23-76	81,684	-
Superfund Technical Assistance Grants (TAG) for Community Groups at National Priority List (NPL) Sites				
	66.806	3-0016846; 3-0013756; 3-0000295	10,279	-
Total Environmental Protection Agency			91,963	-
<i>U.S. Department of Education</i>				
Special Education Cluster				
Passed Through the Massachusetts Department of Elementary and Secondary Education				
Special Education Grants to States	84.027	0240-000558-2024-0067	765,658	-
Special Education Preschool Grants	84.173	264-593908-2022-0067	243	-
Special Education Preschool Grants	84.173	0262-754793-2023-0067	3,000	-
Special Education Preschool Grants	84.173	0262-000559-2024-0067	15,818	-
Total Special Education Preschool Grants			19,061	-
Total Special Education Cluster			784,719	--

See notes to schedule of expenditures of federal awards.

TOWN OF CONCORD, MASSACHUSETTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

<i>Federal Agency</i>	Federal	Pass Through	Federal	Passed
Cluster	Assistance	Identifying	Expenditures	Through to
Pass-through Agency	Listing	Number		Subrecipient
Program Title	Number			
Passed Through the Massachusetts Department of Elementary and Secondary Education				
Title I Grants to Local Educational Agencies	84.010	0305-000549-2024-0067	\$ 108,060	\$ -
Supporting Effective Instruction State Grant	84.367	0140-000546-2024-0067	28,803	-
Student Support and Academic Enrichment Program	84.424	0309-000548-2024-0067	36,080	-
COVID-19 - Education Stabilization Fund	84.425	344-796873-2024-0067	45,000	-
COVID-19 - Education Stabilization Fund	84.425D	165-799353-2024-0067	70,056	-
COVID-19 - Education Stabilization Fund	84.425U	119-586535-2022-0067	490,665	-
COVID-19 - Education Stabilization Fund	84.425U	Unknown	10,000	-
Total COVID-19 - Education Stabilization Fund			<u>615,721</u>	<u>-</u>
Total U.S. Department of Education			<u>1,573,383</u>	<u>-</u>
<i>U.S. Department of Health and Human Services</i>				
Passed Through the Massachusetts Department of Early Education and Care				
Child Care and Development Block Grant	93.575	Unknown	1,542	-
Total U.S. Department of Health and Human Services			<u>1,542</u>	<u>-</u>
<i>U.S. Department of Homeland Security</i>				
Direct Federal Program				
Assistance to Firefighters Grant	97.044	N/A	7,616	-
Passed Through the City of Beverly, Massachusetts				
National Urban Search and Rescue (US&R) Response System	97.025	Unknown	67,339	-
Passed Through the Massachusetts Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4496-DR-MA	74,669	-
Passed Through the Massachusetts Executive Office of Public Safety and Security				
Emergency Management Performance Grants	97.042	FFY2023EMPG	3,963	-
Total U.S. Department of Homeland Security			<u>153,587</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 2,327,991</u>	<u>\$ -</u>

See notes to schedule of expenditures of federal awards.

TOWN OF CONCORD, MASSACHUSETTS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Town of Concord, Massachusetts (the “Town”) under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

Expenditures awarded from the Federal Emergency Management Agency (FEMA), must be presented on the Schedule when; 1) FEMA has approved the Town’s project worksheet (PW) and 2) the Town has incurred the eligible expenditures. The \$74,669 reported for Disaster Grants – Public Assistance (Presidentially Declared Disasters), AL 97.036, represents expenditures incurred in prior years that were approved by FEMA during fiscal year 2024.

NOTE 3 - DE MINIMIS COST RATE

The Town has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

TOWN OF CONCORD, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I — SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Non-compliance material to financial statements noted? Yes No

FEDERAL AWARDS

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditors' report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

<u><i>NAME OF FEDERAL PROGRAM OR CLUSTER</i></u>	<u><i>ASSISTANCE LISTING NUMBER(S)</i></u>
Special Education Cluster	84.027/84.173
COVID-19 Education Stabilization Fund	84.425

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

TOWN OF CONCORD, MASSACHUSETTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

MW-2024-001 Reconcile Cash and Receivables on a Timely Basis – Material Weakness

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, as well as receivables reported in the general ledger with detail balances reported by the Tax Collector.

Condition and Context

During fiscal year 2024, the Town did not reconcile its Cash and Receivable accounts until approximately 12 months after year-end. Reconciliations of water and sewer fund receivables remain unresolved.

Cause

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

Effect or Potential Effect

Interim financial reports could have been materially misstated. Additionally, certain audit procedures could not be completed until complete reconciliations were available for testing.

Recommendation

The Town should reconcile all key accounts monthly to ensure the reliability of financial reporting. Completed reconciliations should be forwarded to the Finance Director for approval. If the Town falls behind in preparing reconciliations, the Town should consider outsourcing this function.

Views of Responsible Official

Management's response is included at the end of this report.

MW-2024-002 Improve Cut off and Capitalization Controls – Material Weakness

Criteria

Effective internal controls require that management have procedures in place to properly charge expenditures to the appropriate fiscal year and that items meeting the threshold for capitalization (Capital Assets) are properly identified.

Condition and Context

During fiscal year 2024, the Town did not charge expenditures to the proper fiscal period on numerous occasions resulting in significant audit adjustments. Significant audit adjustments were also required for the accounting of capital assets.

TOWN OF CONCORD, MASSACHUSETTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

Cause

In fiscal year 2024, the Town experienced a breakdown in its cut-off and capitalization controls.

Effect or Potential Effect

Financial statements could have been materially misstated.

Recommendation

The Town should reestablish effective cut-off and capitalization controls to ensure the completeness and accuracy of financial reporting.

Views of Responsible Official

Management's response is included at the end of this report.

MW-2024-003 Improve Budget Posting – Material Weakness

Criteria

Effective internal controls require that management have procedures in place to monitor revenues and expenditure compared with budgeted amounts.

Condition and Context

During fiscal year 2024, the Town's budget as posted in the general ledger did not agree with amounts appropriated and expected revenues.

Cause

In fiscal year 2024, the Town experienced a breakdown in its monitoring controls.

Effect or Potential Effect

The Town budget and actual comparison schedule was inaccurate.

Recommendation

The Town should reestablish effective monitoring controls to ensure the completeness and accuracy of financial reporting.

Views of Responsible Official

Management's response is included at the end of this report.

TOWN OF CONCORD, MASSACHUSETTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

MW-2024-004 Improve Controls over Journal Entries – Material Weakness

Criteria

Effective internal controls require that management have procedures in place where journal entries are approved by an individual other than the preparer of the entry.

Condition and Context

During fiscal year 2024, the Town did not have a process in place whereby journal entries were approved by an individual other than the preparer.

Cause

In fiscal year 2024, the Town experienced a breakdown in its monitoring controls.

Effect or Potential Effect

Incorrect entries could be made to the general ledger.

Recommendation

The Town should establish effective monitoring controls to ensure all journal entries are appropriately approved.

Views of Responsible Official

Management's response is included at the end of this report.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

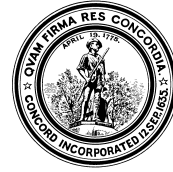
SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

<u>Finding Number</u>	<u>Program</u>	<u>Finding/Noncompliance</u>	<u>Current Year Status</u>
2023-001	Financial statement finding	Improve reconciliation of utility receivables	Repeated in finding 2024-001. Refer to corrective action plan for further detail.

CONCORD FINANCE DEPARTMENT

Tel: (978) 318 3095

22 Monument Square
Concord, MA 01742



DATE: November 19, 2025

MEMORANDUM

TO: CBIZ CPAs PC

FROM: Jennifer Barrett, Chief Financial Officer

SUBJECT: Management Letter FY24, Official Response

In response to the Financial Statement Findings included in your Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements, we provide the following:

Item MW-2024-001: Reconcile Cash and receivables on a timely basis

As noted, due to turnover in the Accounting and Treasurer/Collector positions, as well as a computer system conversion, the reconciliation process was delayed. While we recognize the importance of timely reconciliation, Fiscal Year 2024 presented unique challenges with multiple compounding setbacks. As this letter has been provided eighteen months following the close of the year, we want to emphasize that we are actively working on current reconciliations. To ensure improved timeliness moving forward, we have implemented an internal commitment to complete all month-end reconciliations between the Deputy Treasurer and Town Accountant within a 45-day timeframe. All cash reconciliations will be up-to-date by March 2026 and receivables by June 30, 2026.

Item MW-2024-002: Improve Cut off and Capitalization controls

The Accounting Division has collaborated to establish best practices for recording capital assets beginning with the Procurement Specialist, through recording by the Accounting Specialist and finalization by the Town Accountant. In addition, through targeted departmental training and enhanced communication efforts leading up to year-end, we will implement a more stringent process for posting year-end expenditures beginning in June 2026 through the July 2026 final warrants.

Item MW-2024-003: Improve Budget posting

In Fiscal Year 2024, a late adjustment to the overall budget resulted in the creation of two different budget documents. Although the total approved budget remained consistent, an incorrect distribution was uploaded into the financial system. Additionally, estimated revenue figures were imported instead of the certified budget amounts. To address these issues, Finance Administration has adopted a proactive approach assigning the Senior Analyst to verify all budget data both before and after system import to ensure accuracy and consistency. This item has been resolved in December 2025.

Item MW-2024-004: Improve Controls over journal entries

The Accounting Division has established a standard internal procedure for cross-checking journal entries between the Assistant Accountant and the Town Accountant. This collaborative review process is designed to strengthen monitoring controls and ensure the accuracy and integrity of financial records. This item has been resolved in December 2025.



Town of Concord
Financial Audit Advisory Committee
AGENDA ACTION REQUEST
April 1, 2026

5

FY24 CCRSD Audit & Management Letter

Presentation of the CCRSD FY24 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 CCRSD 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

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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
Assets		
Current and other assets	\$ 8,119,368	\$ 8,609,500
Capital assets, net	<u>83,270,676</u>	<u>85,604,901</u>
Total Assets	<u>91,390,044</u>	<u>94,214,401</u>
Deferred Outflows of Resources	<u>2,125,751</u>	<u>2,558,070</u>
Liabilities		
Long-term liabilities	49,699,460	54,022,438
Other liabilities	<u>3,896,187</u>	<u>3,040,077</u>
Total Liabilities	<u>53,595,647</u>	<u>57,062,515</u>
Deferred Inflows of Resources	<u>3,630,450</u>	<u>4,400,737</u>
Net Position		
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>
Total Net Position	<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
Revenues		
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
Total Revenues	<u>47,871,456</u>	<u>45,676,938</u>
Expenses		
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
Total Expenses	<u>46,890,977</u>	<u>43,903,445</u>
Change in Net Position	980,479	1,773,493
Net Position - Beginning of Year	<u>35,309,219</u>	<u>33,535,726</u>
Net Position - End of Year	<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		116,876
	\$	<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>
Assets	
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>
Total Current Assets	<u>8,119,368</u>
Noncurrent Assets:	
Capital assets, depreciable, net	81,964,976
Capital assets, non-depreciable	<u>1,305,700</u>
Total Noncurrent Assets	<u>83,270,676</u>
Total Assets	<u>91,390,044</u>
Deferred Outflows of Resources	
Related to pension	2,106,877
Related to OPEB	<u>18,874</u>
Total Deferred Outflows of Resources	<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>
Liabilities	
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
Total Current Liabilities	<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
Total Noncurrent Liabilities	<u>46,724,198</u>
Total Liabilities	<u>53,595,647</u>
Deferred Inflows of Resources	
Related to pension	522,705
Related to OPEB	3,107,745
Total Deferred Inflows of Resources	<u>3,630,450</u>
Net Position	
Net investment in capital assets	42,928,102
Restricted for grants and other statutory restrictions	2,706,250
Unrestricted	<u>(9,344,654)</u>
Total Net Position	<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
Assets					
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
Total Assets	\$ 5,911,258	\$ 1,174,036	\$ 7,467	\$ 1,026,607	\$ 8,119,368
Liabilities					
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
Total Liabilities	2,308,302	24,611	1,269,993	86,887	3,689,793
Fund Balances					
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
Total Fund Balances	3,602,956	1,149,425	(1,262,526)	939,720	4,429,575
Total Liabilities and Fund Balances	\$ 5,911,258	\$ 1,174,036	\$ 7,467	\$ 1,026,607	\$ 8,119,368

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

<i>Total Governmental Fund Balances</i>	\$ 4,429,575
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>
<i>Net Position of Governmental Activities</i>	<u><u>\$ 36,289,698</u></u>

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
Revenues					
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
Total Revenues	<u>42,145,583</u>	<u>2,093,931</u>	<u>525</u>	<u>3,027,569</u>	<u>47,267,608</u>
Expenditures					
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
Total Expenditures	<u>42,606,670</u>	<u>2,093,045</u>	<u>825,775</u>	<u>3,110,813</u>	<u>48,636,303</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(461,087)</u>	<u>886</u>	<u>(825,250)</u>	<u>(83,244)</u>	<u>(1,368,695)</u>
Other Financing Sources (Uses)					
Transfers in	200,525	--	228,802	--	429,327
Transfers out	(228,802)	--	(200,525)	--	(429,327)
Total Other Financing Sources (Uses)	<u>(28,277)</u>	<u>--</u>	<u>28,277</u>	<u>--</u>	<u>--</u>
Change in Fund Balances	<u>(489,364)</u>	<u>886</u>	<u>(796,973)</u>	<u>(83,244)</u>	<u>(1,368,695)</u>
Fund Balance at Beginning of Year	<u>4,092,320</u>	<u>1,148,539</u>	<u>(465,553)</u>	<u>1,022,964</u>	<u>5,798,270</u>
Fund Balance at End of Year	<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>

<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 980,479</u></u>
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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
Assets			
Cash and short-term investments	\$ 113,934	\$ --	\$ 297,863
Investments			
Target-risk funds	--	9,957,872	--
Accounts Receivable	--	425,000	--
Total Assets	<u>113,934</u>	<u>10,382,872</u>	<u>297,863</u>
Liabilities			
Warrants payable	--	--	5,353
Total Liabilities	<u>--</u>	<u>--</u>	<u>19,757</u>
Net Position			
Restricted for scholarships	113,934	--	--
Restricted for OPEB	--	10,382,872	--
Restricted for student activities	--	--	278,106
Total Net Position	<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
Additions			
Contributions	\$ 24,051	\$ 1,120,136	\$ --
Fees collected for students	--	--	439,674
Investment income	4,380	1,356,282	--
Total Additions	<u>28,431</u>	<u>2,476,418</u>	<u>439,674</u>
Deductions			
Scholarship payments	4,770	--	--
Benefit payments	--	695,136	--
Payments on behalf of students	--	--	430,989
Total Deductions	<u>4,770</u>	<u>695,136</u>	<u>430,989</u>
Change in Net Position	<u>23,661</u>	<u>1,781,282</u>	<u>8,685</u>
Net Position Restricted for OPEB and Other Purposes			
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
Governmental Activities				
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
Total Capital Assets, Being Depreciated	<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)
Total Accumulated Depreciation	<u>(35,504,363)</u>	<u>(3,767,968)</u>	<u>--</u>	<u>(39,272,331)</u>
Total Capital Assets, Being Depreciated, Net	<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)	--
Total Capital Assets, Not Being Depreciated	<u>1,333,590</u>	<u>--</u>	<u>(27,890)</u>	<u>1,305,700</u>
Governmental Activities Capital Assets, Net	<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:

Governmental Activities:	
Administration	\$ 117,165
Instruction	3,208,436
Other school services	32,301
Operations and maintenance	<u>410,066</u>
	<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
General Obligation Bonds				
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
Total General Obligation Bonds				35,555,000
Loans (Direct Borrowings):				
School buses	05/20/21	05/20/25	1.48	54,672
School buses	06/23/23	06/23/27	4.18	335,138
Total Loans (Direct Borrowings)				389,810
				\$ 35,944,810

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
Total Restricted	<u>607,168</u>	<u>1,158,429</u>	<u>--</u>	<u>940,653</u>	<u>2,706,250</u>
Committed					
For technology stabilization	2,102	--	--	--	2,102
For CCHS stabilization	209,669	--	--	--	209,669
Total Committed	<u>211,771</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>211,771</u>
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
Total Assigned	<u>750,043</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>750,043</u>
Unassigned					
General Fund	2,033,974	--	--	--	2,033,974
Deficit balances	--	(9,004)	(1,262,526)	(933)	(1,272,463)
Total Unassigned	<u>2,033,974</u>	<u>(9,004)</u>	<u>(1,262,526)</u>	<u>(933)</u>	<u>761,511</u>
Total Fund Balances	<u>\$ 3,602,956</u>	<u>\$ 1,149,425</u>	<u>\$ (1,262,526)</u>	<u>\$ 939,720</u>	<u>\$ 4,429,575</u>

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)
Revenues				
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
Total Revenues	<u>37,511,098</u>	<u>37,511,098</u>	<u>37,905,956</u>	<u>394,858</u>
Expenditures				
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	--
Total Expenditures	<u>37,903,113</u>	<u>39,126,453</u>	<u>39,046,100</u>	<u>80,353</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(392,015)</u>	<u>(1,615,355)</u>	<u>(1,140,144)</u>	<u>475,211</u>
Other Financing Sources (Uses)				
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	--
Total Other Financing Sources (Uses)	<u>392,015</u>	<u>1,615,355</u>	<u>919,467</u>	<u>(695,888)</u>
Overall Budgetary Excess	<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)

Concord Contributory Retirement System									
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%	74.05%	90.24%	90.24%
June 30, 2023	December 31, 2022	11.22%	3,511,773	75.45%	4,654,257	75.45%	75.45%	86.75%	86.75%
June 30, 2022	December 31, 2021	11.81%	(637,810)	(13.62)%	4,682,933	(13.62)%	(13.62)%	102.36%	102.36%
June 30, 2021	December 31, 2020	12.02%	1,384,961	32.49%	4,262,548	32.49%	32.49%	94.59%	94.59%
June 30, 2020	December 31, 2019	12.68%	3,089,100	69.40%	4,451,154	69.40%	69.40%	88.35%	88.35%
June 30, 2019	December 31, 2018	13.08%	4,776,915	107.90%	4,427,332	107.90%	107.90%	81.34%	81.34%
June 30, 2018	December 31, 2017	13.22%	2,285,601	51.96%	4,398,922	51.96%	51.96%	90.58%	90.58%
June 30, 2017	December 31, 2016	12.93%	4,166,963	101.08%	4,122,255	101.08%	101.08%	81.85%	81.85%
June 30, 2016	December 31, 2015	12.83%	4,096,936	103.45%	3,960,361	103.45%	103.45%	80.73%	80.73%
June 30, 2015	December 31, 2014	13.20%	2,385,894	95.00%	2,511,488	95.00%	95.00%	88.04%	88.04%

Massachusetts Teachers' Retirement System										
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	\$ 16,240,116	0.00%	0.00%	58.48%
June 30, 2023	June 30, 2022	0.199799%	--	51,724,265	16,445,480	51,724,265	16,445,480	0.00%	0.00%	57.75%
June 30, 2022	June 30, 2021	0.199682%	--	45,341,518	15,487,312	45,341,518	15,487,312	0.00%	0.00%	62.03%
June 30, 2021	June 30, 2020	0.198592%	--	56,687,832	15,046,853	56,687,832	15,046,853	0.00%	0.00%	50.67%
June 30, 2020	June 30, 2019	0.197121%	--	49,702,166	14,344,787	49,702,166	14,344,787	0.00%	0.00%	53.95%
June 30, 2019	June 30, 2018	0.200919%	--	47,640,580	14,110,272	47,640,580	14,110,272	0.00%	0.00%	54.84%
June 30, 2018	June 30, 2017	0.195121%	--	44,654,226	13,249,629	44,654,226	13,249,629	0.00%	0.00%	54.25%
June 30, 2017	June 30, 2016	0.193059%	--	43,164,020	12,698,755	43,164,020	12,698,755	0.00%	0.00%	52.73%
June 30, 2016	June 30, 2015	0.190717%	--	39,077,248	12,089,337	39,077,248	12,089,337	0.00%	0.00%	55.38%
June 30, 2015	June 30, 2014	0.187412%	--	29,791,673	11,491,156	29,791,673	11,491,156	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)

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		
			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%		

Massachusetts Teachers' Retirement System									
Fiscal Year	Measurement Date	Actuarially Determined Contribution Provided by Commonwealth	Contributions in Relation to the Actuarially Determined Contribution		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
Total OPEB Liability								
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)
Net Change in Total OPEB Liability	<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>
Total OPEB Liability - Beginning	<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>
Total OPEB Liability - Ending (a)	<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>
Plan Fiduciary Net Position								
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)
Net Change in Plan Fiduciary Net Position	<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>
Plan Fiduciary Net Position - Beginning	<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>
Plan Fiduciary Net Position - Ending (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>
Net OPEB Liability - Ending (a-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
Schedule of the Net OPEB Liability and Related Ratios								
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)
Net OPEB Liability	<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%
Covered Employee Payroll	\$ 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
Schedule of Contributions								
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)
Contribution Deficiency (Excess)	<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>
Covered Employee Payroll	\$ 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
Schedule of Investment Returns								
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



Town of Concord
Financial Audit Advisory Committee
AGENDA ACTION REQUEST
April 1, 2026

6

Discussion:
FY24 & CY24 Auditor, Audit Process,
Schedule & Charge

Review past and 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
April 1, 2026

7

Draft Summary Audit Reports: FY24 Town Audit, CY24 CMLP Audit

Review Draft Letters

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>

To: Concord Select Board
From: Financial Audit Advisory Committee
Date: April XX, 2026
Re: FY2024 Town of Concord Audit Report

Financial Audit Advisory Committee Report – FY2024

The Financial Audit Advisory Committee (FAAC) was established to support the organization, execution, and review of the Town's annual financial audit, including an ongoing review of fiscal accountability matters. The committee's scope encompasses audited reports for the Municipal Light Plant, the Concord Carlisle Regional School District (CCRSD), and the Town. This report is submitted upon completion of the Town's FY2024 audit cycle, consistent with the committee's charge.

The Town operates on a June 30 fiscal year-end. As a Town department, the Municipal Light Plant's audited financial statements — prepared on a December 31 fiscal year-end, as required by the Department of Public Utilities — are incorporated into the Town's audit. The Concord Public School Department's financial statements are also included in the Town's consolidated audit.

Committee Responsibilities

The FAAC's audit-related duties include:

- Reviewing the scope, arrangements, and progress of the annual audit
- Participating in the external auditor's presentation of annual financial statements
- Reviewing draft audited financial statements and evaluating management letter recommendations alongside management's responses
- Reviewing internal accounting and control procedures as needed
- Preparing reports and recommendations to the Select Board (and, as applicable, the Municipal Light Board and CCRSD School Committee) as deemed to be in the best interest of the Town or CCRSD

FY2024 Audit Overview

CBIZ CPAs P.C. was engaged to conduct both the FY2024 Town audit and the CY2024 Municipal Light Plant audit. The FY2024 Town audit was delayed, with substantive work not beginning until spring 2025, following the completion of the Town's Enterprise Resource

Planning (ERP) system transition. Audited financial statements were made available on November 19, 2025, and management's response to audit findings was received on December 22, 2025.

The independent auditor's report concluded: *"In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Town of Concord, Massachusetts, as of June 30, 2024 (except the Concord Contributory Retirement System and Concord Municipal Light, which are as of December 31, 2023), 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."*

Financial Highlights

Overall, the Town's financial results were strong. Unassigned fund balances increased primarily due to investment earnings and unspent appropriations. The condensed government-wide statements reflect a total net position of \$308,049,218 — an increase of \$17,809,871 over the prior fiscal year. Pension liabilities are approximately 90% funded, while Other Post-Employment Benefits (OPEB) liabilities are approximately 68% funded.

Key Internal Control Findings and Planned Remediation

The FY2024 audit identified four material weaknesses in the Town's internal financial controls. Material weaknesses represent significant deficiencies that increase the risk of material misstatement in financial reporting. The condition and context, auditor recommendation, and management response for each finding are summarized below.

1. Reconcile Cash and Receivables on a Timely Basis

Condition and Context:

During fiscal year 2024, the Town did not reconcile its Cash and Receivable accounts until approximately 12 months after year-end. Reconciliations of water and sewer fund receivables remains unresolved.

Recommendation:

The Town should reconcile all key accounts monthly to ensure the reliability of financial reporting. Completed reconciliations should be forwarded to the Finance Director for approval. If the Town falls behind in preparing reconciliations, the Town should consider outsourcing this function.

Management Response:

As noted, due to turnover in the Accounting and Treasurer/Collector positions, as well as a computer system conversion, the reconciliation process was delayed. While we recognize the importance of timely reconciliation, Fiscal Year 2024 presented unique challenges with multiple compounding setbacks. As this letter has been provided eighteen months following the close of the year, we want to emphasize that we are actively working on current reconciliations. To ensure improved timeliness moving forward, we have implemented an internal commitment to complete all month-end reconciliations between the Deputy Treasurer and Town Accountant within a 45-day timeframe. All cash reconciliations will be up-to-date by March 2026 and receivables by June 30, 2026.

2. Improve Cut Off and Capitalization Controls

Condition and Context:

During fiscal year 2024, the Town did not charge expenditure to the proper fiscal period on numerous occasions resulting in significant audit adjustments. Significant audit adjustments were also required for the accounting of capital assets

Auditor Recommendation:

The Town should reestablish effective cut-off and capitalization controls to ensure the completeness and accuracy of financial reporting

Management Response:

The Accounting Division has collaborated to establish best practices for recording capital assets beginning with the Procurement Specialist, through recording by the Accounting Specialist and finalization by the Town Accountant. In addition, through targeted departmental training and enhanced communication efforts leading up to year-end, we will implement a more stringent process for posting year-end expenditures beginning in June 2026 through the July 2026 final warrants.

3. Improve Budget Posting

Condition and Context:

During fiscal year 2024, the Town's budget as posted in the general ledger did not agree with amounts appropriated and expected revenues.

Auditor Recommendation:

The Town should reestablish effective monitoring controls to ensure the completeness and accuracy of financial reporting.

Management Response:

In Fiscal Year 2024, a late adjustment to the overall budget resulted in the creation of two different budget documents. Although the total approved budget remained consistent, an

incorrect distribution was uploaded into the financial system. Additionally, estimated revenue figures were imported instead of the certified budget amounts. To address these issues, Finance Administration has adopted a proactive approach assigning the Senior Analyst to verify all budget data both before and after system import to ensure accuracy and consistency. This item has been resolved in December 2025.

4. Improve Controls Over Journal Entries

Condition and Context:

During fiscal year 2024, the Town did not have a process in place whereby journal entries were approved by an individual other than the preparer.

Auditor Recommendation:

The Town should establish effective monitoring controls to ensure all journal entries are appropriately approved

Management Response:

The Accounting Division has established a standard internal procedure for cross-checking journal entries between the Assistant Accountant and the Town Accountant. This collaborative review process is designed to strengthen monitoring controls and ensure the accuracy and integrity of financial records. This item has been resolved in December 2025.

Follow-Up Findings and Recommendations

The FAAC conducted follow-up meetings with Jason Bulger, Director of the Concord Municipal Light Plant (CMLP); Nan Okarma, CMLP Financial Manager/Accountant; Jennifer Barrett, Chief Financial Officer; and members of the Finance Department to explore the root causes underlying the current audit findings.

Several contributing factors were identified during the audit period: ongoing turnover among financial staff and leadership, an extended vacancy in the Assistant Town Accountant position, and the Town's migration to a new Enterprise Resource Planning (ERP) system (Munis). As of January 2026, the Finance Department is fully staffed. The Munis implementation was led by Mr. Bulger, with support from IT staff, and affected personnel were well-trained and prepared for the transition. Ms. Barrett confirmed that system training is not a concern for the Finance team; however, training for external departments is currently being developed to improve system knowledge and operational efficiency.

While targeted workflow changes have already been put in place, the FAAC believes that a broader review of internal controls is warranted. Ms. Barrett has agreed to present an overview of implemented and planned internal controls to the committee later this spring.

Systemic Integration Concerns

A persistent systemic issue is the complexity and limited integration between the Town's accounting system and CMLP's utility billing system (NISC). Transactions recorded individually in the CMLP system are often consolidated into a single entry on the Town's side; conversely, a single payment recorded in the Town's system may correspond to multiple invoices in the CMLP system. This reconciliation challenge has grown more complex as the CMLP system was expanded to incorporate invoicing for Water and Sewer services.

The FAAC recommends that CMLP and Finance Department staff jointly evaluate both systems to determine whether enhanced reporting capabilities, improved data integration, or system upgrades and modifications can be implemented to strengthen reconciliation controls and improve efficiency. The FAAC requests that the findings and recommendations from this evaluation be presented to the committee by September 2026.

Acknowledgments

The FAAC extends its appreciation to Scott McIntyre of CBIZ CPAs P.C. for his informative presentation and engaged discussion with the committee. The FAAC also thanks Jennifer Barrett, Chief Financial Officer; Ryan Ferrara, Assistant Chief Financial Officer; and the entire finance teams of the Town and the Municipal Light Plant for their responsiveness to the committee's requests and for their assistance in helping the committee understand the audit results and the range of issues affecting the Town's financial reporting and internal controls.

The Financial Audit Advisory Committee:

Court Booth, At-large member

Bruce Button, At-large member

Breht Feigh, At-large member

Wendy Rovelli, Select Board Representative, Chair

Sandeep Pisharody, CPS Committee Representative

Brian Waterson, CCRSD Committee Representative

Chris Schaffner, CMLP Board Representative

To: Concord Municipal Light Plan Board

From: Financial Audit Advisory Committee

Date: April XX, 2026

Re: CY2024 Concord Municipal Light Plant (CMLP) Audit Report

Financial Audit Advisory Committee Report – CY2024

The Financial Audit Advisory Committee (FAAC) was established to support the organization, execution, and review of the Town's annual financial audit, including an ongoing review of fiscal accountability matters. The committee's scope encompasses audited reports for the Municipal Light Plant, the Concord Carlisle Regional School District (CCRS), and the Town. This report is submitted upon completion of the CMLP CY2024 audit cycle, consistent with the committee's charge.

The Municipal Light Plant, a department of the Town of Concord, is separately audited on a December 31 fiscal year basis for the purposes of its required reporting to the Massachusetts Department of Public Utilities.

Committee Responsibilities

The FAAC's audit-related duties include:

- Reviewing the scope, arrangements, and progress of the annual audit
- Participating in the external auditor's presentation of annual financial statements
- Reviewing draft audited financial statements and evaluating management letter recommendations alongside management's responses
- Reviewing internal accounting and control procedures as needed
- Preparing reports and recommendations to the Select Board (and, as applicable, the Municipal Light Board and CCRSD School Committee) as deemed to be in the best interest of the Town or CCRSD

CY2024 Audit Overview

CBIZ CPAs P.C. was engaged to conduct the CY2024 Municipal Light Plant audit. The completion of the CY2024 Town audit was delayed due to cash reconciliation dependencies with the Town. Audited financial statements and management's response to the audit findings was finalized and returned to CMLP on February 24, 2026.

The independent auditor's report concluded: *"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."*

Financial Highlights

As of December 31, 2024, the CMLP reported a total net position of \$53,839,109, comprising \$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 in unrestricted funds. The net position increased by \$3,153,144 for the year ended December 31, 2024, exceeding forecast due to stronger-than-anticipated operating income driven by higher electric and internet sales revenues. Unrestricted assets grew by \$587,563, representing an 8.2% increase over the prior year.

Key Internal Control Findings and Planned Remediation

The CY2024 audit identified one material weaknesses in CMLP's internal financial controls. Material weaknesses represent significant deficiencies that increase the risk of material misstatement in financial reporting. The condition and context, auditor recommendation, and management response for each finding are summarized below.

1. Reconcile Cash and Receivables on a Timely Basis

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.

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.

Management Response:

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 53 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.

Follow-Up Findings and Recommendations

The FAAC conducted follow-up meetings with Jason Bulger, Director of the Concord Municipal Light Plant (CMLP); Nan Okarma, CMLP Financial Manager/Accountant; Jennifer Barrett, Chief Financial Officer; and members of the Finance Department to explore the issues underlying the current audit findings.

While CMLP had a vacancy in the Financial Manager position from September 2024 – March 2025, contracting resources were acquired to supplement staff resources. As noted above the dependency on Town resources confounded the ability for CMLP to complete timely reconciliations. The FAAC had detailed discussion on the complexity and dependency of the reconciliation workflows between the Town and CMLP and agreed that a concerted effort to research and explore system enhancements is necessary to improve financial controls.

Systemic Integration Concerns

A persistent systemic issue is the complexity and limited integration between CMLP's utility billing system (NISC) and the Town's general ledger cash accounts (which is required to be used for cash management). On the revenue side, multiple individual CMLP transactions are consolidated into a single aggregated journal entry in the Town's system, making transaction-level matching difficult. On the expenditure side, multiple CMLP invoices are mapped to a single payment entry in the Town's system, and adjustments are sometimes posted directly to the general ledger rather than through the accounts payable module. This reconciliation challenge has grown more complex as the CMLP system was expanded to incorporate invoicing for Water and Sewer services.

The FAAC recommends that CMLP and Finance Department staff jointly evaluate both the Munis and NISC systems to determine whether enhanced reporting capabilities, improved data integration, or system upgrades and modifications can be implemented to strengthen reconciliation controls and improve efficiency. The FAAC requests that the findings and recommendations from this evaluation be presented to the committee by September 2026.

Acknowledgments

The FAAC extends its appreciation to Scott McIntire of CBIZ CPAs P.C. for his informative presentation and engaged discussion with the committee. The FAAC also thanks Jason Bulger, Director Concord Municipal Light Plant, Jennifer Barrett, Chief Financial Officer; and the entire finance teams of the Town and the Municipal Light Plant for their responsiveness to the committee's requests and for their assistance in helping the committee understand the audit results and the range of issues affecting the CMLP's financial reporting and internal controls.

The Financial Audit Advisory Committee:
Court Booth, At-large member
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Sandeep Pisharody, CPS Committee Representative
Brian Waterson, CCRSD Committee Representative
Chris Schaffner, CMLP Board Representative

DRAFT



Town of Concord
Financial Audit Advisory Committee
AGENDA ACTION REQUEST
April 1, 2026

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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>