



**TOWN OF NORTHBOROUGH  
63 MAIN STREET  
NORTHBOROUGH, MA 01532**

**SELECT BOARD  
MEETING AGENDA**

June 3, 2024  
7:00 p.m.

Select Board Meeting Room and via Zoom

**AMENDED**

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To view or listen

- Live Stream link YouTube:  
[https://www.youtube.com/channel/UCRdBrw3HeEAMB\\_KFKasrgXA](https://www.youtube.com/channel/UCRdBrw3HeEAMB_KFKasrgXA)
- Zoom webinar link: <https://town-northborough-ma-us.zoom.us/j/86101888781>  
When prompted, enter Password 718417
- CATV Government Channels: Verizon Channel 30, Charter Channel 192
- Call 1-646-876-9923  
When prompted, enter Meeting ID 861 0188 8781 Password 718417

**Notice to meeting attendees:** The Select Board will hold a meeting in the Select Board Meeting Room at the Northborough Town Hall. The meeting will also be conducted via Zoom. Those interested may attend the meeting in person or via Zoom using the link above.

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1. Public Comment
  2. [Police Sergeant Demos Agiomavritis](#) – Reappointment of Erica Abro and Bruce Tait as Special Police Officers
  3. [DPW Director Scott Charpentier and Recreation Director Allie Lane](#) – Request for ARPA Funding for Crack Repairs to Melican Middle School Courts
  4. [DPW Director Scott Charpentier](#) – Introduction of EL Harvey & Sons as the Town's Waste and Recycling Service Provider
  5. [DPW Director Scott Charpentier and John Marrow, Architect](#) – Discussion regarding options for Police Station Siding Project
  6. [Health & Human Services Director Isabella Caruso](#) – Ratification of Inter-Municipal Agreement (IMA) for Greater Boroughs Partnership for Health (GBPH)
  7. [Finance Director Jason Little](#) – 1) Approval and Execution of Bond Anticipation Notes and Advances in Lieu of Borrowing; 2) Appointment of Scanlon & Associates as Independent Auditor for FY2024-2026
  8. [Thomas Scanlon, Scanlon & Associates](#) – Presentation on the FY2023 Audit Report

9. Acceptance of a [Stanton Foundation Grant](#) Award for the Construction Phase of the Proposed Dog Park.
10. Discussion regarding a [Process and Timeline for ARPA Funding](#)
11. Ratification of Annual [Memorandum of Understanding](#) with Northborough Extended Day Program (NEDP) for use of Facilities Space
12. Reports
13. [Execution of Cemetery Deed](#)
14. Any other business to come before the Board
15. Public Comment
16. Adjourn

## **Agenda Item #2**

Police Sergeant Demos Agiomavritis –  
Reappointment of Erica Abro and Bruce  
Tait as Special Police Officers

# NORTHBOROUGH POLICE DEPARTMENT

211 MAIN ST, NORTHBOROUGH MA 01532 • PHONE: 508.393.1515 • WWW.NORTHBOROUGHPD.COM • BRIAN T. GRIFFIN, CHIEF OF POLICE



May 29, 2024

Chairman Cohen  
Northborough Select Board  
63 Main Street  
Northborough, MA. 01532

Mr. Chairman,

I respectfully request to be placed on the agenda for the Board's June 3, 2024, meeting to ask that the Board re-appoint Erica Abro and Bruce Tait as special police officers.

Special officer appointments are made on an annual basis effective July 1<sup>st</sup> and expiring June 30<sup>th</sup>. I request that Erica Abro, and Bruce Tait, be re-appointed for the period July 1, 2024, through June 30, 2025.

Respectfully submitted,

A handwritten signature in black ink that reads 'B. T. Griffin'. The signature is written in a cursive style and is positioned above a horizontal line.

**Brian T. Griffin, Chief of Police**

## **Agenda Item #3**

DPW Director Scott Charpentier and  
Recreation Director Allie Lane – Request  
for ARPA Funding for Crack Repairs to  
Melican Middle School Courts



Select Board  
Northborough  
63 Main St.  
Northborough, MA 01532

Subject: Request for ARPA Funding to Crack Seal Basketball and Tennis Courts at Melican Middle School

Dear Members of the Select Board,

I hope this memo finds you well. I am writing to formally request funding from the American Rescue Plan Act (ARPA) to address critical maintenance needs at Melican Middle School, specifically the crack sealing of the basketball and tennis courts.

**Background and Current Condition:**

The basketball and tennis courts at Melican Middle School serve as vital recreational facilities for the students and the wider community. These courts are used year-round for physical education classes, after-school sports programs, and community recreation. Unfortunately, the surfaces have deteriorated significantly over time, posing safety risks and hampering usability, which affects the entire community.

The Northborough Recreation Department seeks a total overhaul and replacement of the Melican Middle School tennis and basketball courts. Currently, there are 6 tennis courts and 4 basketball courts. All the courts have major drainage and subgrade issues that must be addressed before replacing the courts. As you can see from the pictures attached, most of the tennis courts are unplayable. This project will come to you in 2 phases. We are looking to cover the site investigation and design costs for this application.

The DPW Director has obtained estimates for the repairs needed to overhaul the courts. The cost of adding drainage and creating all new safety-compliant courts and fences is well over 1 million dollars. Therefore, we withdrew our CPC application, knowing there would not be enough funds to complete this project in the next year or so. With the courts currently closed to the public, we are requesting ARPA funds to implement a temporary fix so the community and Recreation Department can use them for the next few years while we develop a plan to redo the entire area and address the drainage issues.

### **Proposed Project:**

The proposed project involves professional crack sealing of the basketball and tennis courts. Crack sealing is an essential maintenance practice that will extend the life of the court surfaces, enhance safety for users, and improve the overall aesthetics of the facilities. The scope of work includes:

1. Cleaning and preparing the court surfaces.
2. Filling and sealing all visible cracks.
3. Applying a protective sealant to prevent further damage.

### **Justification for ARPA Funding:**

The ARPA funds are designated to help communities recover from the impacts of the COVID-19 pandemic and invest in essential infrastructure. The repair and maintenance of recreational facilities align with these goals by:

#### Promoting Physical and Mental Health:

Accessible and safe recreational facilities are vital for promoting physical activity, which is essential for physical and mental health, especially as the community continues to recover from the pandemic's impact.

#### Supporting Youth and Community Engagement:

Well-maintained sports facilities encourage youth participation in sports and provide a safe environment for community members to engage in healthy activities.

#### Preventing Costlier Repairs:

Addressing the cracks now through sealing will prevent more extensive and costly repairs in the future, ensuring the longevity of the courts and wise use of public funds.

### **Estimated Costs:**

Based on preliminary estimates, the cost for professional crack sealing and recoating of both the basketball and tennis courts is approximately \$98,175.00. The subcontractor will be paid \$85,000 and the General Contractor will be due the contractual standard markup of 15% (\$13,175). This cost includes all labor, materials, and associated fees.

If you want just to do the basketball court, it will cost \$34,650. \$30,000 to the sub-contractor and 15% to the general contractor. (\$4,650)

### **Conclusion:**

Investing in maintaining the basketball and tennis courts at Melican Middle School through ARPA funding is a prudent decision that will yield significant benefits for our community. I respectfully request the Select Board's consideration and approval of this funding request to ensure these vital facilities remain safe and accessible for all users.

Thank you for your attention to this matter. I am available to provide any additional information or answer any questions you may have.

Sincerely,

A handwritten signature in blue ink that reads "Allie Lane". The signature is written in a cursive style with a large initial "A" and a long, sweeping underline.

Allie Lane  
Northborough Recreation

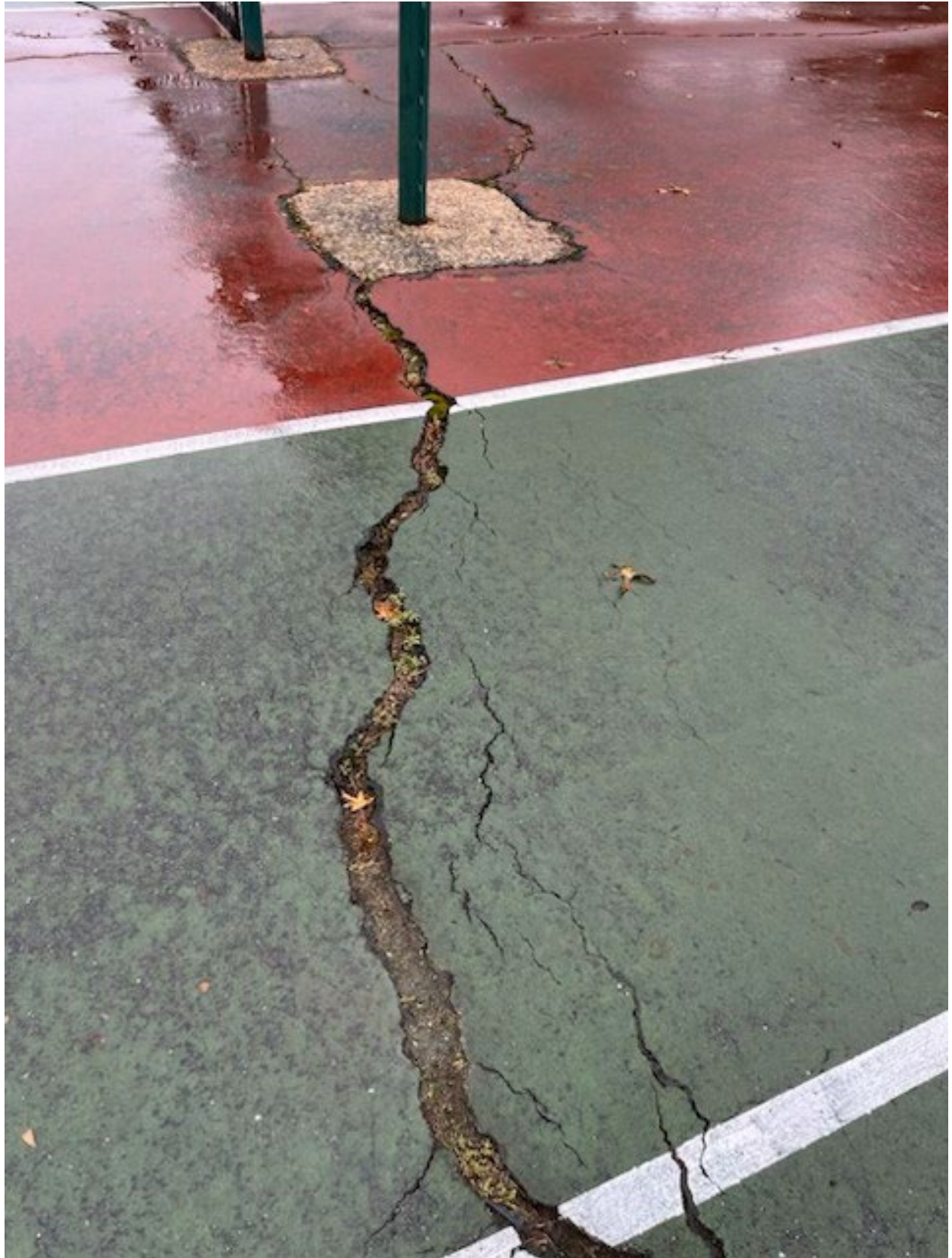














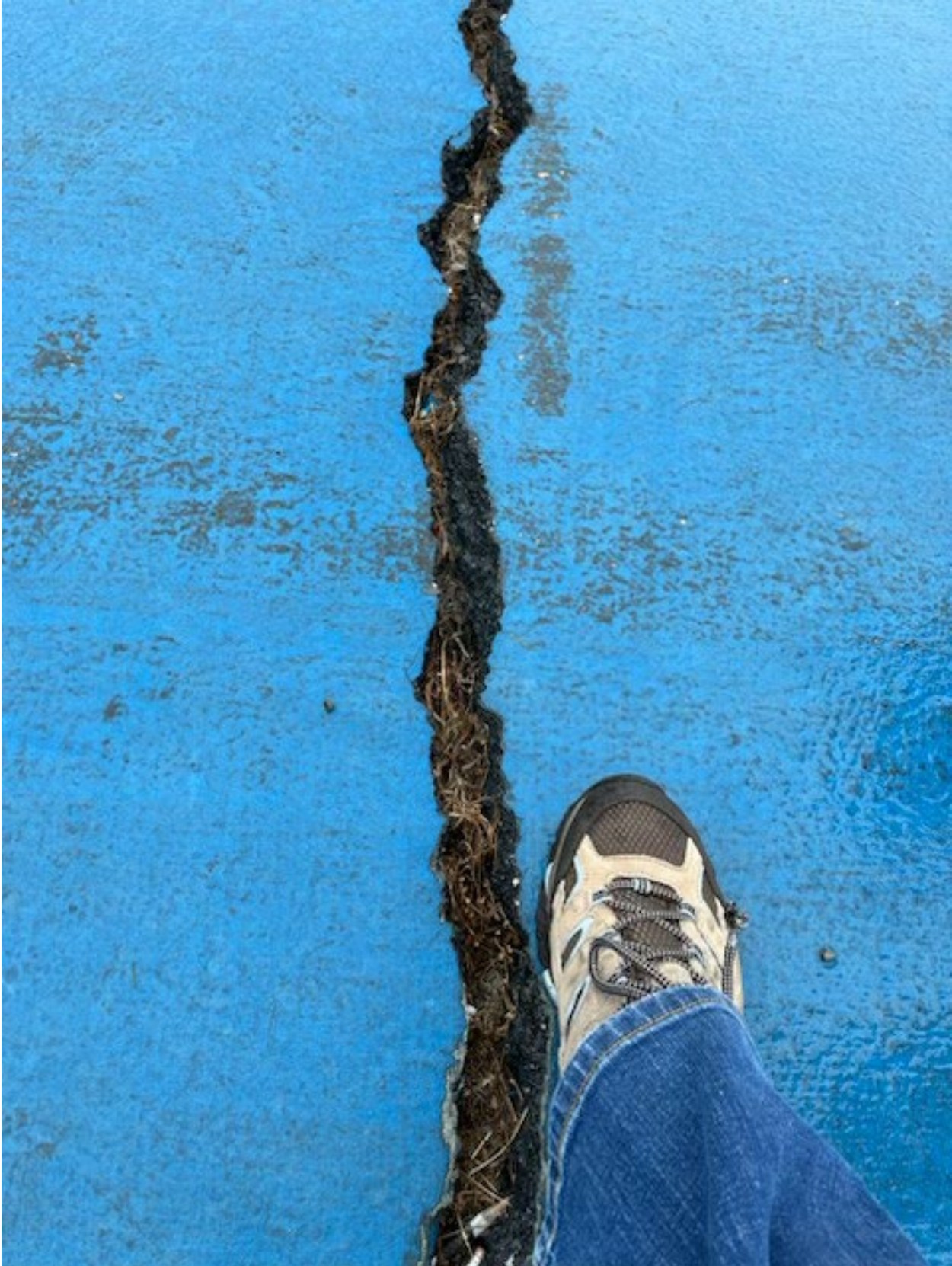


















## **Agenda Item #4**

DPW Director Scott Charpentier –  
Introduction of EL Harvey & Sons as the  
Town's Waste and Recycling Service  
Provider

**PUBLIC WORKS DEPARTMENT**

Water, Wastewater, Highway, Cemetery, Parks, & Facilities  
Scott D. Charpentier, P.E., Director



**TOWN OF NORTHBOROUGH**

63 MAIN STREET  
NORTHBOROUGH, MA 01532  
T: (508) 393-5040x6  
F: (508) 393-6996

TO: Timothy P. McInerney, Town Administrator

FROM: Scott D. Charpentier, Public Works Director *SDC*

RE: FY2025 Solid Waste Contracts

DATE: April 9, 2024

Northborough has had a solid waste contract with Republic Services for many years. They have always included manual collection of solid waste and recycling as well as processing of recyclable materials. The recycling industry when through substantial changes in 2018 when China revised their specifications for acceptance of recyclable materials to an unachievably low contamination standard. This nearly eliminated the option of exporting these commodities to China. Recyclable materials lost substantial value, so much so that the cost to process exceeds the value of the materials, thus increasing our costs as the generator.

Collection companies, including Republic Services, no longer offer processing recyclables as part of their contracts. Northborough Solicited quotes from the only two local material recycling facilities. Cassella of Auburn provided a base price of \$125/ton, while EL Harvey of Westborough provided a base price of \$105/ton. For comparison, our FY2024 price for processing is \$60/ton.

Republic Services notified the Town that as a company they are phasing out manual collection but would be willing to offer one additional year if Northborough committed to a long-term contract that transitioned to automated collection in year two.

Northborough solicited quotes from local collection companies that offer manual collection with the following responses:

- Republic Services \$878,324 (year 2 automated collection)
- Pelligrino Trucking \$734,000
- Waste Management \$744,523
- EL Harvey & Sons \$733,000 (if we also contract for processing of recyclables)

The following table presents the FY2025 cost impacts:

YEAR	COLLECTION	PROCESSING	TOTAL
FY2024	\$561,215	\$59,580	\$620,795
FY2025	\$733,000	\$105,000	\$838,000
Difference	+\$171,785	+\$45,420	+\$217,205

One ancillary benefit of having one firm, EL Harvey, collect and process recyclables is they will be the sole entity responsible for any contamination that is collected, which is often costly to the generator. It is with this in mind that I recommend the award of both the collection and processing contracts to EL Harvey & Sons.

# Agenda Item #5

DPW Director Scott Charpentier and  
John Marrow, Architect – Discussion  
regarding options for Police Station  
Siding Project

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Supporting documents are not available  
at this time. They will be submitted  
before Monday's meeting.

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## **Agenda Item #6**

Health & Human Services Director  
Isabella Caruso – Ratification of Inter-  
Municipal Agreement (IMA) for Greater  
Boroughs Partnership for Health (GBPH)

# MEMORANDUM

To: Isabella Caruso  
From: Rich Mucci  
Re: Changes in the 2024 IMA  
Date: May 15, 2024

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The Inter-Municipal Agreement (“IMA”) for Greater Boroughs Partnership for Health (“GBPH”) executed in 2021 expires on June 30, 2024. The IMA governs this towns participation in the Department of Public Health’s Public Health Excellency grant program designed to supplement municipal public health services through a regional shared services program. The 2021 IMA specifically states “it will be reviewed 6 months prior to the end of the grant term for the purpose of making any necessary adjustments after funds have been expended.”

With the assistance of the Massachusetts Association of Health Boards (“MAHB”), the review of the IMA commenced in December 2023. Since original adoption in 2021, the best practices for the PHE program have evolved and a more defined IMA was recommended and required by DPH to participants. As such, MAHB recommended several changes to the existing IMA that better defined the towns’ rights and obligations and the scope of the expanded shared services program. The updated IMA expands on the concept of the shared services collaborative, the role of the Host Town, the role of the Shared Services Coordinator, Governance Board and scope of the expanded shared services program in Exhibit B.

With the work of Town Counsels and Health Directors of all member municipalities the IMA was updated and approved into the final version before your Board. It was a collaborative effort that we hope will continue to expand on an already successful shared services program for the next several years.

**Greater Boroughs Partnership for Health  
Inter-Municipal Agreement (IMA)  
for the Public Health Excellence for Shared Services Grant**

THIS AGREEMENT is entered into among the Towns of Boylston, Southborough, and Westborough, along with the Town of Northborough, Massachusetts in its capacity as Host Town of the Greater Boroughs Partnership for Health, (hereinafter “GBPH” or “Collaborative”), (each Town hereinafter being referred to as a “TOWN” or, collectively, as “TOWNS”).

**WHEREAS**, Northborough was awarded a Public Health Excellence for Shared Services grant by the Commonwealth of Massachusetts (the “Grant Program”) to act as the Host Community in order to create a cross-jurisdictional public health services sharing program consistent with the recommendations of the Special Commission on Local and Regional Public Health’s (SCLRPH) June 2019 Report; and

**WHEREAS**, the purpose of the Grant Program is to implement the recommendations made in the SCLRPH’s June 2019 Report by increasing local public health capacity through cross-jurisdictional shared services programs and agreements; and

**WHEREAS**, each of the TOWNS offers public health services and resources, and desires to increase its capacity to provide said services and resources and improve regional public health and meet performance standards set by the Commonwealth by entering this Agreement; and

**WHEREAS**, Northborough, entering into an agreement with the Commonwealth of Massachusetts governing its participation in the Grant Program, is willing and able to manage the administrative obligations of the Grant Program through its Director of Public Health, who shall hereinafter be referred to as the “Program Manager;” and

**WHEREAS**, each TOWN has authority to enter into this Agreement pursuant to G.L. c.40, §4A;

NOW, THEREFORE, the TOWNS, in mutual consideration of the covenants contained herein, intending to be legally bound thereby, agree as follows:

1. The Public Health Services Collaborative.

There is hereby established a collaborative of the TOWNS to be known as the Greater Boroughs Partnership for Health, (hereinafter “GBPH”), which shall hereinafter be referred to as the “Collaborative.” The Collaborative, acting by and through an Advisory Board (“Advisory Board”) as established in Section 5 of this Agreement, and Program Manager, will coordinate, manage, and direct the activities of the parties with respect to the subject matter of the Grant Program, this Agreement, and the agreement between Northborough and the Commonwealth of Massachusetts, attached hereto as “Exhibit A,” the terms of which are expressly incorporated herein and shall bind all parties hereto, and any other programs and services related thereto. The

purpose of the Collaborative is to design and implement a program by which the public health staff and resources of the TOWNS are consolidated and shared such that cross-jurisdictional services, investigations, enforcement, and data reporting may be carried out and the public health and safety of the TOWNS may be better protected (the “Shared Services Program”).

2. Term.

The term of this Agreement shall commence on the date set forth above and shall expire when the funding for the Grant Program is no longer available, or when terminated in accordance with this Agreement, but in no event shall the Term of this Agreement exceed twenty-five (25) years unless permitted by statute. Nothing herein shall be interpreted to prevent the TOWNS from extending the term of this Agreement beyond the exhaustion of Grant funding with the written consent of all parties hereto.

3. Host Town.

During the term of this Agreement, Northborough acting as the “Host Town,” shall oversee the Grant Program and the Shared Services Program provided for described in Exhibit B.

As the Host Town, Northborough shall act for the Collaborative with respect to all grant applications to be submitted and gifts and grants received collectively by the Municipalities. Northborough shall act as the Municipalities’ purchasing agent pursuant to G.L. c.7, §22B, for all contracts duly authorized by the Advisory Board, established pursuant to Section 5 of this Agreement, to be entered into collectively by the Municipalities. Final approval of any such contract is subject to approval of the Advisory Board and appropriation by each Municipality, to the extent required.

As the Host Town, Northborough shall also:

- a. Serve as employer and direct supervisor for any shared staff. Hiring processes and goal setting will be done in collaboration with the Advisory Board, but subject to requirements of state law and Northborough bylaws, regulations, and personnel policies.
- b. Serve as the lead entity in facilitating any shared contracts, including a public health nursing contract in coordination with the other TOWNS.
- c. Ensure compliance with all reporting requirements to Massachusetts Department of Public Health and all other grantor or oversight agencies.
- d. Ensure that financial management and expenditures meet grantor agency, state, and federal standards, and municipal financial policies and practices, including providing an annual audit, payroll service, benefits administration, health insurance and bill processing.
- e. Provide procurement services for GBPH staff and equipment, as needed.
- f. Provide office space for GBPH staff, as needed; and

g. Provide information technology support for GBPH staff.

4. Shared Services Coordinator.

Northborough as Host Town shall hire and employ a Shared Services Coordinator at the request, authorization and recommendation of Advisory Board defined below. Through the Shared Services Coordinator and Northborough's Health Department, Northborough shall perform all necessary fiscal and administrative functions necessary to provide the services contemplated under this Agreement, and shall be the holder of all grant funds related to the Grant Program, and may retain up to 15% of the funds received through the Grant Program for wages and resources related to the performance of such duties, in accordance with the Grant Program's Shared Services Program. The Shared Services Coordinator shall report to the Advisory Board and shall keep records of all funding and expenditures for review by the Board and provide periodic financial status updates. For the purposes of employment status and health, retirement and other benefits, and immunities and indemnification as provided by law, the Shared Services Coordinator and any participating Collaborative staff working on behalf of the Collaborative, or the Advisory Board shall be considered employees of Northborough and (if the position is benefits eligible) shall be accorded all benefits enjoyed by other Northborough employees within the same classification as they are or shall be established.

5. Governance.

There shall be an Advisory Board which shall be convened not less than quarterly by the Advisory Board Chair/Co-Chairs.

- a. Composition: One member and one alternate, both appointed by the Board of Health from each TOWN. One representative from each TOWN shall be a full voting member whose term shall be as determined by each TOWN's local Board of Health. The voting member shall be a Board of Health member or designee of that TOWN's Board of Health. Each participating TOWN shall also have a second representative who shall be an associate member and who may vote only when the full member is not in attendance. Each TOWN shall maintain its individual local Board of Health, which shall retain its own legal authority and autonomy as provided by law.
- b. Voting: Each participating TOWN shall be entitled to one vote on the Advisory Board. Every voting member shall have an equal voice in determining shared priorities, and services to be provided. In the event that voting by the Participating Municipalities results in a tie, the Shared Services Coordinator will be asked to provide a vote in order to reach a final decision.
- c. Quorum: A majority of the voting members of the Advisory Board shall constitute a quorum for the purposes of transacting business. The Advisory Board may act by a simple majority of a quorum of its members present and voting unless otherwise provided herein.
  1. Roles and Responsibilities of the Advisory Board:
  2. Meet on a regular basis and at least quarterly.
  3. Develop annual and long-term goals for the Collaborative. Advise on Collaborative staff priorities.



4. Collaborate in developing a sustainability plan for GPBH.
5. Adopt any Collaborative-wide policies and recommended regulations.
6. Review and provide recommendations on operating budgets.
7. Assure compliance with all mandatory reporting requirements as proscribed by the Department of Public Health (“DPH”) and Office of Local and Regional Health (“OLRH”).
8. Assure attendance at monthly or other grant holder meetings convened by DPH and OLRH.
9. Review financial status and financial statements provided by the Shared Services Coordinator.
10. Review and provide recommendations on reports from staff,
11. Evaluate Shared Services Program staff or consultants.
12. Request, authorize and recommend the Host Town hire shared services employees or contractors. Request and/or recommend that the Host Town terminate shared services employees or contractors.
13. The Advisory Board may by a majority vote decide that any request, authorization and recommendation to the Host Town to hire or terminate shared services employees or contractors be a unanimous vote of the Advisory Board.
14. Any request, authorization and recommendation of Advisory Board to hire or terminate the Shared Services Coordinator must be a unanimous vote of the Advisory Board.

- e. Meetings: The Advisory Board shall meet no less than quarterly and may schedule additional meetings, as necessary. All meetings shall be conducted in compliance with the Massachusetts Open Meeting Law, G.L. c.30A, §§18-25 as may be amended from time to time.

#### 6. Obligations of the TOWNS.

Boards of Health shall actively participate in the governance of the GBPH by attending and participating in Advisory Board meetings, reviewing reports, evaluating programs and staff and identifying unmet needs in their communities. The TOWNS agree to provide the following services to ensure that the GBPH provides quality, efficient delivery of services:

- a. Appoint a member and alternate to the BOARD.
- b. Assist shared staff in establishing work tasks and priorities.
- c. Communicate any concerns about GBPH programs first to the shared services coordinator, then, if needed, to the Host TOWN Health Director.
- d. Prompt review of staff reports and other materials.
- e. Board of Health members are welcome to visit programs conducted by Shared Staff. Board members interested in accompanying a staff person should communicate that request directly, on either a specific or general basis. The presence of a local Board of Health member is always a positive addition to code enforcement and public health work.

Each TOWN will consent to the Collaborative's duly-authorized agents and representatives exercising the powers provided for herein and by the Advisory Board within the boundaries of said TOWN and will direct its agents and employees to work in good faith with the Collaborative's health agent, nurses, and any other employees the Collaborative may use from time to time.

- f. Each TOWN will use best efforts to ensure that a representative of the TOWN will attend all Advisory Board meetings (either in-person or via remote access) throughout the life of this Agreement.
- g. Each TOWN will use best efforts to ensure that a representative of the TOWN will attend all training sessions which are offered in conjunction with the Grant Program geared towards stakeholders under the Program, as required by the DPH or its representative.
- h. Each TOWN will request from the appropriate legislative body appropriation for any services, costs and expenses associated with the Collaborative and not covered by the Grant Program. Notwithstanding this provision or any other terms of this Agreement, no party shall be obligated to incur any financial cost above the amount made available herein through grants and gifts or other sources, unless the financial obligation is supported by an appropriation made in accordance with law.
- i. Each TOWN will help promote and market the Shared Services Program and its services within their community.

#### 7. Funding.

Pursuant to G.L. c.40, §4A, any funds received by the Shared Services Program, Advisory Board, or Northborough pursuant to this Agreement, shall be deposited with the treasurer of the Town of Northborough and held as a separate grant account and may be expended, with the approval of the Advisory Board, under the provisions of M.G.L. c.44, §53A, for contribution toward the cost of the Shared Services Program and in compliance with established grant guidelines from grantors only.

The Advisory Board may authorize a disbursement of funds for any shared contractor, salary, or wages consistent with the terms of this Agreement, and/or for any program, service or benefit that is consistent with the terms of this Agreement.

Northborough shall not be obligated to supply any funding or incur any cost in excess of the amounts made available to the Advisory Board and the Shared Services Program through the Grant Program and/or any other and gifts, grants, or other sources appropriated for the purposes of this Agreement. Individual municipal costs incurred outside the scope of this Agreement and specific to the needs of that Municipality will be borne solely by that Municipality. Any funds contributed by the Grant Program shall only be used for shared public health services consistent with the purposes of this Agreement.

Except for the 15% of Grant Program funding for administrative costs that Northborough may retain pursuant to Section 4 of this Agreement, a TOWN may

draw on grant funds individually, with prior approval by the Advisory Board, and provided such funds are available, by submitting invoices to the Shared Services Coordinator for reimbursement from the funds, for expenditure consistent with the purposes of the Shared Services Program and applicable grant funding guidelines.

Annually, the BOARD will develop and approve a public health services budget for contractual shared services. These services are to be covered under a DPH Public Health Excellence Grant administered by the Town of Northborough. The grant term is three years. It is the intention of the participating TOWNS of the GBPH to seek additional grant funds to sustain these services after the end of the grant term, but if that is unsuccessful the TOWNS will need to revisit this Agreement and determine whether they will allocate TOWN funds to continue participation in this Agreement. Until the existing grant funds are expended, there will be no cost to participating TOWNS. Execution of this Inter-Municipal Agreement does not obligate any TOWN to fund the GBPH and an Agreement amendment would be required to do so. Any fees collected by the Host TOWN for inspections or other services from the constituents of the other TOWNS shall remain with the TOWN in which the inspection was performed.

#### 8. Other Municipal Services.

This Agreement solely governs the sharing and delivery of public health services by the GBPH to the TOWNS. If an inspection identifies the need for or forms the basis for enforcement or other legal proceedings, such proceedings shall be the responsibility of the TOWN in which the inspection was performed.

The TOWNS of the Collaborative may request the Advisory Board to add or remove associated services to be delivered as part of the Shared Services Program, and such shall take effect only after this Agreement is so amended in writing and approved by each TOWN. The TOWNS are not limited exclusively to the Grant Program and are not required to use all services of the Grant Program. TOWNS may apply for other grants outside the Collaborative.

The Collaborative through a vote of the Advisory Board may apply for other grants, opportunities, funds, and awards for shared services on behalf of the TOWNS. The Advisory Board must approve any and all grants or grant applications submitted as a Collaborative. The Advisory Board may appoint other TOWNS to act as host agencies for these other grant opportunities and the TOWNS agree that this Agreement shall be amended to account for any associated grant terms and conditions.

#### 9. Employees.

An employee of one of the TOWNS who performs services pursuant to this Agreement on behalf of another TOWN shall be deemed to remain an employee of the employing

TOWN, notwithstanding that such services are performed in or for another TOWN, and shall retain all accrued benefits and shall be subject to the standard personnel practices of such employing TOWN. Pursuant to G.L. c.40, §4A, and subject to the provisions of this section, each TOWN shall be liable for the acts and omissions of its own employees and not for the employees of any other TOWN in the performance of this Agreement to the extent provided by the Massachusetts Torts Claims Act, G.L. c. 258.

10. Liability

Pursuant to MGL c. 40, s. 4A, each party shall be liable only for the acts and omissions of its own employees and not for the employees of any other municipality or agency in the performance of this Agreement to the extent provided by the Massachusetts Tort Claims Act, M.G.L. c. 258. By entering into this Agreement, the TOWNS have not waived any governmental immunity or limitation of damages which may be extended to them by operation of law. The maximum extent of each TOWN'S financial liability in connection with this Agreement shall not exceed the amount validly appropriated by, or available to, each said TOWN for such purpose.

If liability insurance coverage is needed the Collaborative shall obtain and keep in full force and effect public liability insurance in the amount of One Million Dollars (\$1,000,000) combined single limit for bodily injury, death and property damage arising out of any one occurrence, protecting the Towns against any and all claims for bodily injury, \$3,000,000 aggregate, death or property damage arising directly or indirectly out of the Indemnification provision of this Agreement.

11. Termination.

This Agreement may be terminated by a vote of the TOWNS' representatives of the Advisory Board, at a meeting of the Advisory Board called for that purpose; provided that the representatives vote has been authorized by the TOWN's Select Board or Chief Executive Officer. Any termination vote shall not be effective until the passage of at least sixty (60) days and until the TOWNS have agreed to an equitable allocation of all remaining costs, expenses and assets.

12. Entrance.

Any TOWN may petition the Collaborative to join this Agreement to the extent permitted by the grants. The addition of a municipality will require amendment of this Agreement in accordance with Section 15 herein and approval by the Department of Public Health.

13. Withdrawal.

Any TOWN other than the Host Town, by a vote of its respective authorizing Select Board or Chief Executive Officer, may withdraw from this Agreement with the provision of at least four (4) months prior written notice to the TOWNS. Upon such

withdrawal, the Program Manager shall prepare full statements of outstanding unpaid financial obligations under this Agreement and present the same to the terminating TOWN for payment within thirty (30) days thereafter. To the extent permitted by the Grant Program and any other grant, the Host Town may withdraw from this Agreement upon the provision of at least twelve (12) months prior written notice to the participating TOWNS and the Advisory Board, and a new Host Town shall thereafter be designated by the remaining members of the Advisory Board.

Prior to the effective date of its withdrawal, the Host Town shall transfer all funds held pursuant to this Agreement to the new Host Town as designated by the Advisory Board and pay any outstanding unpaid financial obligations under this Agreement within thirty (30) days thereafter. Any TOWN may withdraw at the end of any fiscal year in which the TOWN's legislative body has not appropriated funds sufficient to support that TOWN's continued participation in the subsequent fiscal year if such funds are required. In such an event, the TOWN shall give as much notice to the other TOWNS to this Agreement as the circumstances allow. The Advisory Board, by vote of the remaining members, has the authority to reallocate grant funding or other outside funding that would have been allocated to the TOWN that has left the Agreement.

14. Assignment.

No TOWN shall assign or transfer any of its rights or interests in or to this Agreement, or delegate any of its obligations hereunder.

15. Amendment.

This Agreement may be amended only by a writing signed by all TOWNS, duly authorized.

16. Severability.

If any provision of this Agreement is held by a court of appropriate jurisdiction to be invalid, illegal or unenforceable, or if any such term is so held as applied to any particular circumstance, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or affect the application of such provision to any other circumstances, and the remaining provisions hereof shall not be affected and shall remain in full force and effect.

17. Force Majeure.

No TOWN shall be liable to another TOWN, nor be deemed to be in breach of this Agreement, for failure or delay in rendering performance arising out of causes factually beyond its control and without its fault or negligence. Such causes may include but are not limited to: acts of God or public enemy, wars, fires, floods, epidemics, quarantine restrictions, strikes, unforeseen freight embargoes, or unusually severe weather. Dates and times of performance shall be extended to the extent of the delays excused by this section, provided that the TOWN whose

performance is affected notifies the other TOWNS of the existence and nature of such failure or delay.

18. Waiver.

The obligations and conditions set forth in this Agreement may be waived only by a writing signed by the TOWNS. Forbearance by a TOWN shall not be construed as a waiver, nor limit the remedies that would otherwise be available to that TOWN under this Agreement or applicable law. No waiver of any breach or default shall constitute or be deemed evidence of a waiver of any subsequent breach or default.

19. Governing Law.

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Massachusetts.

20. Non-Discrimination.

Neither the GBPH nor any TOWN shall discriminate against any person because of race, color, religious creed, national origin, gender, ancestry, sexual orientation, age, handicap, gender identity, genetic information, military service or any other protected Classification under the law with respect to admission to, access to, or operation of its programs, services or activities.

21. Notices.

Any notice permitted or required hereunder to be given or served on any TOWN shall be in writing signed in the name of or on behalf of the TOWN giving or serving the same. Notice shall be deemed to have been received at the time of actual receipt of any hand delivery or three (3) business days after the date of any properly addressed notice sent by mail as set forth below:

Town of Boylston:

April Steward, Town Administrator  
[asteward@boylston-ma.gov](mailto:asteward@boylston-ma.gov)  
(508) 869-0143 ext. 221  
221 Main Street, Boylston, MA 01505

Town of Northborough:

Timothy P. McInerney, Town Administrator  
[tmcinerney@town.northborough.ma.us](mailto:tmcinerney@town.northborough.ma.us)  
(508) 393-5040  
63 Main Street, Northborough, MA 01532

Town of Southborough:

Mark Purple, Town Administrator

[mpurple@southboroughma.com](mailto:mpurple@southboroughma.com)  
(508) 485-0710  
17 Common Street, Southborough, MA 01772

Town of Westborough:

Kristi Williams, Town Manager  
[kwilliams@town.westborough.ma.us](mailto:kwilliams@town.westborough.ma.us)  
(508) 366-3030  
34 West Main Street, Westborough, MA 01581

22. Complete Agreement.

This Agreement constitutes the entire agreement between and among the Host TOWN of Northborough and the other TOWNS concerning the subject matter hereof, superseding all prior agreements and understandings. There are no other agreements or understandings between the Host TOWN of Northborough and any of the other TOWNS concerning the subject matter hereof. Each TOWN acknowledges that it has not relied on any representations by any other TOWN or by anyone acting or purporting to act for another TOWN on for whose actions any other TOWN is responsible, other than the express, written representations set forth herein. This Agreement may be executed in multiple counterparts and electronic or scanned signatures shall be sufficient to bind the parties.

[SIGNATURE PAGES FOLLOW]

WITNESS OUR HANDS AND SEALS as of the first date written above.

Town of Northborough Select Board

\_\_\_\_\_  
Signature of Chair of Select Board

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Chair of Select Board

Town of Northborough Board of Health

\_\_\_\_\_  
Signature of Chair of Board of Health

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Chair of Board of Health



WITNESS OUR HANDS AND SEALS as of the first date written above.

Town of Southborough Select Board

\_\_\_\_\_  
Signature of Chair of Select Board

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Chair of Select Board

Town of Southborough Board of Health

\_\_\_\_\_  
Signature of Chair of Board of Health

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Chair of Board of Health

WITNESS OUR HANDS AND SEALS as of the first date written above.

Town of Westborough Select Board

\_\_\_\_\_  
Signature of Chair of Select Board

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Chair of Select Board

Town of Westborough Board of Health

\_\_\_\_\_  
Signature of Chair of Board of Health

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Chair of Board of Health

WITNESS OUR HANDS AND SEALS as of the first date written above.

Town of Boylston Board of Selectmen

\_\_\_\_\_  
Signature of Chair of Board of Selectmen

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Chair of Board of Selectmen

Town of Boylston Board of Health

\_\_\_\_\_  
Signature of Chair of Board of Health

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Chair of Board of Health

## **EXHIBIT A**

Grant agreement between the GBPH and the Commonwealth of Massachusetts – to be attached

## EXHIBIT B

The GBPH shall provide the following services in coordination with member TOWNS:

- *A Regional Shared Services Coordinator.* This position shall perform all necessary fiscal and administrative functions necessary to provide the services listed in the work plan and budget, but not limited to, for the public health excellence grant. Other essential duties include staff coordination, community engagement, and grant management.
- *A Regional Public Health Agent (Food/Environmental/Housing).* This position will be hired, and services will include, but may not be limited to, performing routine food, and other environmental inspections as assigned by the Towns. This position will assist the Towns to meet required inspections per year as determined by the food code. This position will manage and inspect tenant complaints, hoarding situations, and other housing related situations and connect residents to necessary support services. This position will also assist with any court-related action necessary as the Town's representative. If an inspection identifies the need for or forms the basis for enforcement or other legal proceedings, such proceedings shall be the responsibility of the TOWN in which the inspection was performed to fund, file and prosecute. Additional environmental health inspectional services may be requested. Inspection supplies needed for inspection services shall be purchased and provided through the shared PHE.
- *A Regional Epidemiologist.* This position will be hired, and services will include, but may not be limited to, public health data collection and analysis for communicable and chronic diseases, regional community health needs assessment and improvement planning (CHA and CHIP), and population health program planning. The Epidemiologist will assist municipal public health directors and staff as well as chief municipal officials in research and development, implementation, communication of epidemiological aspects of traditional public health efforts and will perform any and all ancillary services and duties as needed.
- *Public Health Nursing Services.* This position will be hired or contracted out through a third-party nursing vendor and services will include, but may not be limited to infectious disease surveillance, preventative care, immunizations, education and outreach and emergency planning activities. The Nurse will also develop health education programs, organize immunization clinics, and blood pressure screenings, as well as trainings.
- To efficiently deliver and document inspectional services across multiple TOWNS and improve regulatory compliance, each TOWN will implement FoodCode-Pro and HousingCode-Pro software. Each TOWN will have its own administrative access to the software and a generic inspectional account which will allow the shared inspector to perform and report inspections, but the data will remain with the TOWN for which the inspection is performed.

- *Regional Consultant Services.* Consultants and independent contractors, including for, but not limited to, grant administrative support, technical assistance, policy advisement, emergency inspection/clinical services, and training.
- *Regional Health Communication.* Creating and distributing local public health information to communicate PHE grantee shared services regulations and improve resident health in PHE municipalities.
- *Regional Technology Hardware and Software.* Software that supports PHE shared services staff in implementing the recommendations of the Blueprint. Technology for PHE grant-funded shared services staff to complete grant related functions, including Computers, laptops, iPads, tablets, headsets, speakers, microphones, earbuds, monitors, recording equipment, translation equipment, keyboards, and cell phones.
- *Regional Travel.* Mileage reimbursement for PHE grant-funded staff to complete day to day public health services. Please keep records of mileage for auditing purposes. Travel costs related to training and CEUs for new AND existing staff to maintain workforce credentials outlined in the Blueprint (page 61). Travel costs for training may include mileage and lodging using current Federal GSA rates.
- *Regional Training and Credentialing.* Training and credentialing for new AND existing public health staff from all TOWNS that are part of the shared services area:  
 To acquire the workforce credentials outlined in the Blueprint (page 61). For CEUs and contact hours to maintain workforce credentials outlined in the Blueprint (page 61).
  - For educational materials such as credentialing exam study guides
  - For exam fees required to attain credentials
  - For registration fees to participate in training courses, when relevant to a staff member's responsibilities, from organizations including, but not limited to:
    - Health Resources in Action
    - Local Public Health Institute
    - Massachusetts Association of Health Boards
    - Massachusetts Association of Public Health Nurses
    - Massachusetts Public Health Association
    - Massachusetts Health Officers Association
    - Massachusetts Environmental Health Association
    - NEIWPC
    - National Environmental Health Association

Provide those additional ancillary services and duties as needed to the member TOWNS in order to provide the shared services described above.

# **Agenda Item #7**

Finance Director Jason Little –

- 1) Approval and Execution of Bond Anticipation Notes and Advances in Lieu of Borrowing;
- 2) Appointment of Scanlon & Associates as Independent Auditor for FY2024-2026



# Town of Northborough

## Finance Department

63 Main Street  
Northborough, MA 01532  
Phone: (508) 393-5004  
Fax: (508) 393-6996

May 23, 2024

Select Board  
Northborough, MA 01532

Dear Select Board,

I will be attending your June 3, 2024 meeting to request that you vote to accept winning bids and execute the required documents related to \$4.246M in Bond Anticipation Notes (BANs). The Town received five close bids for this debt, and the winning bidder was Fidelity Capital Markets with a net interest rate of 3.7694%. A table with historic interest rates is attached for reference. Note that interest rates have trended upward in the past three years due to market forces, though the Town was helped by its high credit quality along with the overall security of municipal debt. The BANs being issued cover the following projects:

<u>Date</u>	<u>Article</u>	<u>Purpose</u>	<u>Principal Amount</u>
4/25/2016	42	White Cliffs Acquisition	\$ 574,000.00
4/25/2019	20	Fire Station Land/Design	\$ 1,877,000.00
7/18/2020	23	Assabet Water Tank	\$ 614,000.00
5/1/2021	17	Water/Sewer SCADA	\$ 400,000.00
5/1/2021	18	Dam Compliance	\$ 40,000.00
4/25/2022	12	Fire Dept. Ambulance	\$ 266,000.00
4/24/2023	20	DPW Tilt Tank	\$ 475,000.00
<b>Total</b>			<b>\$ 4,246,000.00</b>

The Town can internally fund projects using “Advances in Lieu of Borrowing,” however advances cannot cross fiscal years, therefore the request is being made to the Board to approve an advance effective with the start of the new fiscal year (FY2025) for the following, for which debt may be issued prior to June 30, 2025:

<u>Date</u>	<u>Article</u>	<u>Purpose</u>	<u>Amount Authorized</u>
4/24/2023	17	Fire Engine	\$ 900,000.00
4/22/2024	20	Fire Pumper	\$ 745,842.00
4/22/2024	32	Peaslee School Feasibility	\$ 900,000.00
<b>Total</b>			<b>\$ 2,545,842.00</b>

I look forward to presenting this information and answering any questions you may have at your meeting.

Sincerely,

Jason Little  
Finance Director



# Town of Northborough, Massachusetts

\$4,246,000 General Obligation Bond Anticipation Notes



**Sale Date:** 5/23/2024  
**Dated Date:** 6/7/2024  
**Delivery Date:** 6/7/2024  
**Due Date:** 6/6/2025  
**Days Per Year:** 360  
**Day Count:** 359  
**Bank Qualified:** Yes  
**Rating:** None

Bidder	Underwriter	Principal	Coupon Rate	Premium	Interest	Net Interest	NIC	Prorata Premium	Prorata Interest	Award	Reoffering Yield
Fidelity Capital Markets	*	\$4,246,000	4.00%	\$9,765.80	\$169,368.22	\$159,602.42	3.7694%	\$9,765.80	\$169,368.22	\$4,246,000	
TD Securities	*	\$4,246,000	4.50%	\$25,900.60	\$190,539.25	\$164,638.65	3.6883%				
Oppenheimer & Co.	*	\$4,246,000	4.50%	\$24,966.48	\$190,539.25	\$165,572.77	3.9104%				
BNYMellon Capital Markets	*	\$4,246,000	5.00%	\$40,942.05	\$211,710.28	\$170,768.23	4.0331%				
Newburyport Five Cents Savings Bank	*	\$4,246,000	5.11%	\$0.00	\$216,367.90	\$216,367.90	5.1100%				
<b>Award Totals</b>				<b>\$9,765.80</b>	<b>\$169,368.22</b>	<b>\$169,368.22</b>		<b>\$9,765.80</b>	<b>\$169,368.22</b>	<b>\$4,246,000</b>	

Weighted Average Net Interest Cost: 3.7694%

## Interest Rate History

### **Bond Anticipation Notes** **Temporary Borrowing**

	<u>Amount</u>	<u>Issue Date</u>	<u>Rate (NIC)</u>	<u>Rate Stated</u>
<b><u>Municipal Purpose</u></b>	<b>\$ 4,246,000</b>	<b><u>6/7/2024</u></b>	<b><u>3.7964%</u></b>	<b><u>4.00%</u></b>
Municipal Purpose	\$ 4,378,000	6/9/2023	3.5952%	5.00%
Municipal Purpose	\$ 4,233,000	6/10/2022	2.3442%	3.00%
Municipal Purpose	\$ 3,925,000	6/11/2021	0.2535%	1.50%
Municipal Purpose	\$ 2,430,000	6/12/2020	0.8599%	1.25%
Municipal Purpose	\$ 2,417,000	6/14/2019	1.8116%	2.25%
Municipal Purpose	\$ 2,719,000	6/15/2018	1.8812%	2.75%
Municipal Purpose	\$ 2,876,000	6/16/2017	1.0983%	2.00%
Municipal Purpose	\$ 1,430,000	6/17/2016	0.8548%	
Municipal Purpose	\$ 2,000,000	6/17/2016	0.850%	
Municipal Purpose	\$ 1,650,000	1/22/2016	0.624%	
Municipal Purpose	\$ 1,650,000	6/17/2015	0.449%	
Municipal Purpose	\$ 1,603,700	4/27/2012	0.568%	
Municipal Purpose	\$ 1,151,680	4/29/2011	0.785%	
Municipal Purpose	\$ 10,025,362	4/30/2010	0.470%	
Municipal Purpose	\$ 9,223,362	5/1/2009	0.579%	
Land Acquisition - Sewer Renewal	\$ 1,663,000	10/24/2008	3.250%	
Municipal Purpose	\$ 10,655,072	5/2/2008	1.726%	2.50%
Land Acquisition - Sewer Renewal	\$ 1,768,000	10/26/2007	3.465%	
Municipal Purpose	\$ 3,249,312	6/15/2007	3.748%	
Municipal Purpose	\$ 800,183	5/18/2007	3.780%	
Municipal Purpose	\$ 1,873,000	10/27/2006	3.570%	
Municipal Purpose	\$ 800,183	5/19/2006	3.870%	
Municipal Purpose-Renewal	\$ 1,073,792	5/19/2006	3.830%	
Land Acquisition - Sewer Renewal	\$ 2,500,000	10/28/2005	2.988%	2.94%
Municipal Purpose	\$ 1,073,792	6/17/2005	2.780%	
Land Acquisition - Sewer	\$ 2,500,000	10/29/2004	1.850%	3.00%
Municipal Purpose	\$ 2,176,300	5/27/2004	1.600%	
Chapter 90 Highway (SAAN)	\$ 119,312	6/27/2003	1.170%	
Municipal Purpose	\$ 505,000	5/27/2003	1.380%	
119 Colburn Street - Grant	\$ 300,000	6/14/2002	1.940%	
119 Colburn Street - Town	\$ 1,055,000	6/14/2002	1.844%	2.00%
Municipal Purpose	\$ 1,909,014	2/28/2002	1.650%	
Municipal Purpose	\$ 2,728,947	5/18/2001	2.939%	3.20%
Municipal Purpose	\$ 1,181,876	6/30/2000	4.550%	4.75%
Municipal Purpose	\$ 1,975,000	5/28/1999	3.278%	3.75%
Zeh & Church St. Sewer Renewal	\$ 7,210,000	2/2/1999	3.019%	3.25%
Zeh School	\$ 1,090,000	6/16/1998	3.830%	4.00%
Church St. Sewer	\$ 700,000	5/18/1998	3.890%	
Zeh School	\$ 5,420,000	2/2/1998	3.630%	4.00%
Municipal Purpose	\$ 602,708	1/16/1998	4.070%	
Chap 90 Highway (SAAN)	\$ 137,900	6/17/1997	4.090%	
Municipal Purpose	\$ 1,987,000	6/17/1997	4.150%	
Municipal Purpose	\$ 602,708	1/17/1997	4.060%	
Ambulance	\$ 45,000	9/19/1996	4.450%	

### **Bonds**

<b><u>Permanent Financing</u></b>	<b><u>Major Project</u></b>	<b><u>Amount</u></b>	<b><u>Issue Date</u></b>	<b><u>Rate (TIC)</u></b>	<b><u>Term</u></b>
Municipal Purposes & Refunding		\$ 6,845,000	5/26/2021	0.680%	10 Yrs
Municipal Purpose Loan		\$ 2,527,000	6/15/2018	2.560%	15 Yrs.
Municipal Purpose Loan	Lincoln St School	\$ 6,800,000	1/15/2016	2.271%	20 Yrs.
Municipal Purpose Loan	Lincoln St School	\$ 7,390,000	6/15/2015	2.498%	20 Yrs.
Municipal Purpose Loan		\$ 1,819,000	4/15/2013	1.213%	10 Yrs
Municipal Purpose Loan	Senior Center	\$ 8,612,000	4/1/2011	3.090%	18 Yrs.
Land Acquisition Bond- Sewer Taxable		\$ 1,550,000	10/15/2009	5.919%	15 Yrs.
Municipal Purpose Loan	Library	\$ 9,743,000	5/1/2009	3.540%	20 Yrs.
Municipal Purpose Loan		\$ 1,700,000	10/15/2006	3.929%	15 Yrs.
Municipal Purpose Loan		\$ 2,100,000	5/15/2005	3.888%	20 Yrs.
Municipal Purpose Loan		\$ 2,964,000	2/15/2003	3.766%	18 Yrs.
Municipal Purpose Loan		\$ 2,725,000	2/15/2002	3.865%	15 Yrs.
Municipal Purpose Loan	Zeh School	\$ 9,155,000	2/1/2000	5.499%	20 Yrs.
Municipal Purpose Loan		\$ 2,285,000	5/15/1998	4.283%	10 Yrs
Municipal Purpose Loan	Proctor School	\$ 6,200,000	12/1/1995	4.948%	20 Yrs.



# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

Christopher C. Harding  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

## ADVANCE OF FUNDS IN LIEU OF BORROWING REPORT

City/Town/District of Northborough

Purpose of Issue Fire Engine

Authorization April 24, 2023 Article 17, MGL Chapter 44  
(Date and article of town meeting vote and M.G.L. citation)

<b>A. Amount of Loan Authorized</b>		<b>\$ 900,000</b>
<b>Computation of Limit on Total of Advances:</b>		
B. Unappropriated Free Cash	\$ 770,000	
C. Stabilization Fund	\$ 5,941,448	
D. 1% of FY <u>2024</u> Budget	\$ 797,341	
E. Greatest of line B, C or D	\$ 5,941,448	
F. Other Advances Outstanding	\$ -	
G. Remaining Limit ( line E less line F )		\$ 5,941,448
H. Amount to be Advanced - This Issue (not to exceed line G)		\$ 900,000

Date of Advance July 1, 2024

Treasurer

Approved:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Majority of Select Board

Please send 1st Copy to: **Accountant or Auditor**

See IGR No. 17-21 for instructions and accounting procedures

Date of Repayment to General Fund: \_\_\_\_\_

Accountant/Auditor

Please send 2nd Copy to:

**Division of Local Services / Public Finance Section**  
**PO Box 9569**  
**Boston MA 02114-9569**

(Revised: May 2023)

*Supporting a Commonwealth of Communities*

mass.gov/DLS  
P.O. Box 9569 Boston, MA 02114-9569  
(617) 626-2300



# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

Christopher C. Harding  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

## ADVANCE OF FUNDS IN LIEU OF BORROWING REPORT

City/Town/District of Northborough

Purpose of Issue Fire Pumper

Authorization April 22, 2024 Article 20, MGL Chapter 44  
(Date and article of town meeting vote and M.G.L. citation)

<b>A. Amount of Loan Authorized</b>		<b>\$ 745,842</b>
<b>Computation of Limit on Total of Advances:</b>		
B. Unappropriated Free Cash	\$ 770,000	
C. Stabilization Fund	\$ 5,941,448	
D. 1% of FY <u>2024</u> Budget	\$ 797,341	
E. Greatest of line B, C or D	\$ 5,941,448	
F. Other Advances Outstanding	\$ 900,000	
G. Remaining Limit ( line E less line F )		\$ 5,041,448
H. Amount to be Advanced - This Issue (not to exceed line G)		\$ 745,842

Date of Advance July 1, 2024

Treasurer

Approved:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Majority of Select Board

Please send 1st Copy to: **Accountant or Auditor**

See IGR No. 17-21 for instructions and accounting procedures

Date of Repayment to General Fund: \_\_\_\_\_

Accountant / Auditor

Please send 2nd Copy to:

**Division of Local Services / Public Finance Section**  
**PO Box 9569**  
**Boston MA 02114-9569**

(Revised: May 2023)

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(617) 626-2300



# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

Christopher C. Harding  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

## ADVANCE OF FUNDS IN LIEU OF BORROWING REPORT

City/Town/District of Northborough

Purpose of Issue Peaslee School Feasibility

Authorization April 22, 2024 Article 32, MGL Chapter 44  
(Date and article of town meeting vote and M.G.L. citation)

<b>A. Amount of Loan Authorized</b>		<b>\$ 900,000</b>
<b>Computation of Limit on Total of Advances:</b>		
B. Unappropriated Free Cash	\$ 770,000	
C. Stabilization Fund	\$ 5,941,448	
D. 1% of FY <u>2024</u> Budget	\$ 797,341	
E. Greatest of line B, C or D	\$ 5,941,448	
F. Other Advances Outstanding	\$ 1,645,842	
G. Remaining Limit ( line E less line F )		\$ 4,295,606
H. Amount to be Advanced - This Issue (not to exceed line G)		\$ 900,000

Date of Advance July 1, 2024

Treasurer

Approved:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Majority of Select Board

Please send 1st Copy to: **Accountant or Auditor**

See IGR No. 17-21 for instructions and accounting procedures

Date of Repayment to General Fund: \_\_\_\_\_

Accountant/Auditor

Please send 2nd Copy to: **Division of Local Services / Public Finance Section**  
**PO Box 9569**  
**Boston MA 02114-9569**

(Revised: May 2023)

*Supporting a Commonwealth of Communities*

mass.gov/DLS  
P.O. Box 9569 Boston, MA 02114-9569  
(617) 626-2300



April 8, 2024

To the Honorable Select Board and Town Administrator  
Town of Northborough  
63 Main Street  
Northborough, MA 01532

Thank you for the opportunity to submit a proposal for audit services for the Town of Northborough, Massachusetts. Scanlon and Associates, LLC is independent of the Town of Northborough, Massachusetts as defined by professional standards (AICPA) and government auditing standards (yellow book). Scanlon and Associates, LLC has met peer review standards as defined by the American Institute of Certified Public Accountants (AICPA). All partners and staff to be assigned to the Town's engagement have extensive knowledge and experience of auditing municipalities and have met the continuing education requirements as defined by auditing standards.

We are excited about the opportunity to continue working with the Town. We believe our firm provides timely, quality work and excellent service at a reasonable fee and would be of great value to the Town. Some of the reasons to select our firm include our experience, our personnel, our process and our commitment to ensure quality work.

A summary of audit fees for fiscal years 2024, 2025 and 2026 is as follows:

<b>Fiscal Year</b>	<b>Financial Statement Audit</b>	<b>Single Audits (a)</b>
2024	\$ 32,000	\$ 5,000
2025	\$ 32,000	\$ 5,000
2026	\$ 33,000	\$ 5,000

**(a)** If required, this fee amount is based on prior history of Town with federal programs. If the Town's federal awards significantly increase the fee is subject to change.

The increase from fiscal year 2023 fees are mainly due to new GASB's, increased reporting requirements, increased programs/activities within the Town and increased audit requirements.

We appreciate this opportunity to continue to be service to you. If you have any questions, please contact us immediately. If the above fees are acceptable I can forward a formal engagement letter.

Sincerely,

*Scanlon and Associates, LLC*

Thomas J. Scanlon Jr., CPA  
Scanlon and Associates, LLC

# **Agenda Item #8**

Thomas Scanlon, Scanlon & Associates  
– Presentation on the FY2023 Audit  
Report



**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**MANAGEMENT LETTER**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**

**Management Letter**

**Year Ended June 30, 2023**

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3. Police Details.....	5
4. Other Items .....	6

To the Honorable Select Board  
Town of Northborough  
Northborough, Massachusetts

Dear Members of the Board:

In planning and performing our audit of the basic financial statements of the Town of Northborough as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Northborough's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic 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 significant deficiency is a deficiency, or 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.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We have already discussed these comments and suggestions with Town personnel. We will be pleased to discuss them in further detail and to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the management, the Select Board, others within the entity and the Commonwealth of Massachusetts Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

May 10, 2024

## COMMENTS AND RECOMMENDATIONS – Other Matters

### 1. Covid Grants and Monies

#### Prior Year Comment:

We observed the Fund Balance of the FEMA COVID-19 fund having a positive balance at the end of fiscal year 2022. This is irregular given that FEMA is a reimbursement grant, so it is unusual for a reimbursement grant to not be zero or in deficit. Underlying the positive balance, a cash surplus of approximately \$405,000 remained within this grant fund, and it was observed that the circumstances for the surplus was that it was created through insurance proceeds. The Town billed medical insurance through Umass for administering COVID-19 vaccinations in large part as an informal “host” community for a regional vaccination effort that involved multiple Towns. Since FEMA will reduce reimbursements by alternative revenues (e.g. insurance claims), we understand that the Town as the informal “host” received all insurance proceeds which outpaced Northborough’s individual expenses. We understand anecdotally that all member towns of the regional effort either filed individual FEMA claims or covered their costs in-kind. While a requirement for those other participating towns filing their own individual claims with FEMA was the need to receive confirmation from Northborough in writing that it would not share insurance claims so that the Federal reimbursement to those Towns would not be reduced by alternative revenues. Northborough wrote letters to confirm it would not share revenue for this purpose, and since Northborough did not file a claim with FEMA for its share of expenses due to holding the surplus. This has left Northborough in the position of holding this surplus in the grant fund without clear authority or an answer as to whether there may be a claw back from the Federal government, once costs for the regional effort are fully recognized. We understand that the authority and accounting for such regional efforts were developed locally as the pandemic developed, and guidance from Federal and State officials was trailing in the lead up to the local efforts. Current State accounting regulations did not clearly provide Cities and Towns a direct answer for the administration of such programs. Our recommendation is that clear and direct guidance be sought from State Emergency Management Agency officials to determine the disposition of these funds, and the Town should not closeout the surplus to the General Fund until that can be confirmed.

#### Status- Fiscal Year 2023 Audit:

The balance in the fund has increased to \$541,280 surplus, following collection of all outstanding insurance claims. The Town is in the process of reviewing this account and seeking guidance on use of funds.

## **2. Accounting for Leases**

### Prior Year Comment:

The Government Accounting Standards Board (GASB) has issued statement No. 87, *Leases*, which was implemented during Fiscal Year 2022. The changes establish a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. The Town will have to report as both a lessee and lessor depending on the circumstances.

During our audit we found that the Town obtained all the lease agreements and is in the process of implementing a worksheet with pertinent information. We recommend the Town continue to familiarize themselves with the reporting requirements of GASB No.87, *Leases* for inclusion in their financial statements.

### Status- Fiscal Year 2023 Audit:

The Town has implemented procedures to identify and review all leases to ensure compliance with GASB 87.

## **3. Police Details**

### Prior Year Comment:

During the audit it was observed that the Accounting Office does not have ongoing access to Police Department billing records. The Accounting Office relies on an annual report produced by the department in order to make journal entries to record the accounts receivable due the Town at fiscal year-end. This year the report provided by the department followed the close of the year, and given that there were no interim receipts the report should have been reliable. When looking at subsequent receipts to form an opinion on the likelihood that the amounts would be collected, it was observed the subsequent receipts had already been credited from the receivable report. This timing issue led to Accountant's records being inaccurate. We recommend a more comprehensive and recurring system for reconciling these records. Many other towns have implemented integrated accounting software so that the accounting records are more accurately tracked in the town's accounting system.

### Status- Fiscal Year 2023 Audit:

We observed that there were no changes to this process over the course of time between audits, though we understand that the Police Department has now agreed to transition to using the Town's existing accounting system, Munis, for this purpose in lieu of there being any viable industry specific alternatives identified. As resources allow, we recommend time and support be dedicated toward adopting an electronic system, given that the Munis system is frequently viewed as not being user friendly.

#### 4. Other Items

- Internal Control Policies and Procedures Manual:

We observed the Town does have a document for purposes of complying with Federal Grants, however it is not widely distributed/understood and can quickly become out of date as Federal and State regulations frequently may not align given frequent changes at the state and federal level. As the Town's inventory of grants sought and received is expanding in recent years we recommend awareness of the regulations, compliance matters, and administrative support required.

- Establish a Plan to Obligate or Spend ARPA funds by December 31, 2024.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Report on the Examination of Basic Financial Statements**  
**For the Year Ended June 30, 2023**

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Report on the Examination of Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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## **Independent Auditor's Report**

To the Honorable Select Board  
Town of Northborough, Massachusetts

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Northborough, Massachusetts, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Northborough, Massachusetts' 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Northborough, Massachusetts, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Northborough, Massachusetts, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan and other post-employment benefit plan schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Northborough, Massachusetts' basic financial statements. The Supplementary Schedule, as listed in the table of contents, is presented for purposes of additional analysis 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2024, on our consideration of the Town of Northborough, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Northborough, Massachusetts' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Northborough, Massachusetts' internal control over financial reporting and compliance.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

May 10, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of the Town of Northborough, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the Town's financial performance.

### Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$33,525,671 (net position) for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$18,250,604, or an increase of \$15,275,067 (84%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$26,116,164, an increase of \$785,805 in comparison with the prior year.
- The General Fund's total fund balance increased \$1,462,923 to \$13,125,300. The ending General fund balance is 18% of revenues and transfers in; and 18% of expenditures and transfers out.
- The total liabilities of the Town decreased by \$8,490,506 (8%) to \$104,359,277 during the fiscal year. This was mainly attributed to an increase in the pension liability of \$6,554,218; and net decreases in the other post-employment benefit (OPEB) liability of \$11,841,205 and in bonds payable of \$2,384,127.
- The Town had General Fund free cash certified by the Department of Revenue in the amount of \$3,572,920. The key factors that attributed to the free cash amount for fiscal year 2023 were unexpended/unencumbered appropriations of \$1,307,300, excess over budget state and local receipts of \$2,224,800 and prior year free cash not appropriated of \$460,100.
- The Town's enterprise funds certified free cash are as follows:
  - Sewer fund                      \$ 8,569,046.
  - Water fund                        \$ 578,184.

### Overview of the Financial Statements

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to 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 net difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activity includes sewer and water.

**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. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The Town of Northborough adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The Town maintains one type of proprietary fund.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and water activities.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

## Financial Highlights

### Statement of Net Position Highlights

	Governmental Activities		
	2023	2022	Change
<b>Assets:</b>			
Current assets	\$ 42,912,195	\$ 41,649,653	\$ 1,262,542
Capital assets	65,357,239	66,050,227	(692,988)
<b>Total assets</b>	<b>108,269,434</b>	<b>107,699,880</b>	<b>569,554</b>
<b>Deferred Outflows of Resources</b>	<b>8,290,993</b>	<b>6,596,293</b>	<b>1,694,700</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	9,848,698	10,018,528	(169,830)
Current debt	4,724,815	4,644,742	80,073
Noncurrent liabilities (excluding debt)	66,935,296	72,450,072	(5,514,776)
Noncurrent debt	11,314,780	12,807,595	(1,492,815)
<b>Total liabilities</b>	<b>92,823,589</b>	<b>99,920,937</b>	<b>(7,097,348)</b>
<b>Deferred Inflows of Resources</b>	<b>9,153,172</b>	<b>12,999,795</b>	<b>(3,846,623)</b>
<b>Net Position:</b>			
Net investment in Capital assets	49,317,644	48,597,890	719,754
Restricted	13,667,529	12,902,286	765,243
Unrestricted	(48,401,507)	(60,124,735)	11,723,228
<b>Total net position</b>	<b>\$ 14,583,666</b>	<b>\$ 1,375,441</b>	<b>\$ 13,208,225</b>

	Business-Type Activities		
	2023	2022	Change
<b>Assets:</b>			
Current assets	\$ 12,444,330	\$ 11,602,892	\$ 841,438
Noncurrent assets (excluding capital assets)	153,474	159,071	(5,597)
Capital assets	17,841,146	18,115,056	(273,910)
<b>Total assets</b>	<b>30,438,950</b>	<b>29,877,019</b>	<b>561,931</b>
<b>Deferred Outflows of Resources</b>	<b>170,022</b>	<b>108,886</b>	<b>61,136</b>
<b>Liabilities:</b>			
Current liabilities (excluding debt)	5,321,699	6,105,108	(783,409)
Current debt	1,834,963	1,972,385	(137,422)
Noncurrent liabilities (excluding debt)	1,357,559	1,140,923	216,636
Noncurrent debt	3,021,467	3,710,430	(688,963)
<b>Total liabilities</b>	<b>11,535,688</b>	<b>12,928,846</b>	<b>(1,393,158)</b>
<b>Deferred Inflows of Resources</b>	<b>131,279</b>	<b>181,896</b>	<b>(50,617)</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	12,984,716	12,432,241	552,475
Restricted	985,546	1,236,057	(250,511)
Unrestricted	4,971,743	3,206,865	1,764,878
<b>Total net position</b>	<b>\$ 18,942,005</b>	<b>\$ 16,875,163</b>	<b>\$ 2,066,842</b>

**Financial Highlights**  
**Statement of Activities Highlights**

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Change</b>
<b>Program Revenues:</b>			
Charges for services	\$ 4,223,727	\$ 4,262,299	\$ (38,572)
Operating grants and contributions	13,366,703	13,604,742	(238,039)
Capital grants and contributions	1,611,284	496,841	1,114,443
<b>General Revenues:</b>			
Property taxes	57,846,450	56,207,861	1,638,589
Motor vehicle excise and other taxes	3,217,546	3,045,579	171,967
Penalties and interest on taxes	179,475	184,076	(4,601)
Nonrestricted grants	1,813,782	1,543,349	270,433
Unrestricted investment income	1,007,438	(70,101)	1,077,539
Miscellaneous	29,314	2,569	26,745
<b>Total revenues</b>	<b>83,295,719</b>	<b>79,277,215</b>	<b>4,018,504</b>
<b>Expenses:</b>			
General government	4,102,313	4,251,718	(149,405)
Public safety	6,858,701	6,384,602	474,099
Public works	5,854,918	5,376,561	478,357
Education	46,021,119	45,133,844	887,275
Health and human services	1,522,315	1,506,301	16,014
Culture and recreation	2,248,037	1,884,773	363,264
Employee benefits and insurance	2,853,363	14,159,169	(11,305,806)
State assessments	305,474	281,806	23,668
Interest	351,413	384,587	(33,174)
<b>Total expenses</b>	<b>70,117,653</b>	<b>79,363,361</b>	<b>(9,245,708)</b>
<b>Contributions to permanent funds</b>	<b>11,550</b>	<b>21,700</b>	<b>(10,150)</b>
<b>Transfers</b>	<b>18,609</b>	<b>-</b>	<b>18,609</b>
<b>Change in net position</b>	<b>13,208,225</b>	<b>(64,446)</b>	<b>13,272,671</b>
<b>Net position - beginning of year</b>	<b>1,375,441</b>	<b>1,439,887</b>	<b>(64,446)</b>
<b>Net position - end of year</b>	<b>\$ 14,583,666</b>	<b>\$ 1,375,441</b>	<b>13,208,225</b>



	<b>Business-Type Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Change</b>
<b>Program Revenues:</b>			
Charges for services	\$ 5,328,357	\$ 5,002,758	\$ 325,599
Operating grants and contributions	299,197	24,958	274,239
<b>Total revenues</b>	<b>5,627,554</b>	<b>5,027,716</b>	<b>599,838</b>
<b>Expenses:</b>			
Sewer	658,459	1,954,491	(1,296,032)
Water	2,883,644	3,083,131	(199,487)
<b>Total expenses</b>	<b>3,542,103</b>	<b>5,037,622</b>	<b>(1,495,519)</b>
<b>Transfers</b>	<b>(18,609)</b>	-	<b>(18,609)</b>
<b>Change in net position</b>	<b>2,066,842</b>	<b>(9,906)</b>	<b>2,076,748</b>
<b>Net position - beginning of year</b>	<b>16,875,163</b>	<b>16,885,069</b>	<b>(9,906)</b>
<b>Net position - end of year</b>	<b>\$ 18,942,005</b>	<b>\$ 16,875,163</b>	<b>\$ 2,066,842</b>

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33,525,671 at the close of fiscal year 2023.

Net position of \$62,302,360 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$14,653,075, represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$43,429,764).

At the end of the current fiscal year, the Town is able to report positive balances in two categories of net position and a negative balance in the unrestricted category in the governmental activities and for the government as a whole. The unrestricted governmental activities and government as a whole resulted in a negative balance mainly due to the accrual of the OPEB obligation and net pension liabilities that are required under GASB to be recognized in the Town's financial statements. These liabilities are presented on the statement of net position.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net position for the business-type activities.

The governmental activities net position increased by \$13,208,225 (960%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2023 was attributed to increases resulting from the net changes in debt payable of \$1,649,742, in the OPEB liability of \$11,888,055 and in the deferred outflows/(inflows) of resources related to pensions of \$5,226,489; and to the decreases as a result of recognizing the changes in the pension liability of \$6,384,432 as compared to the prior year.

There was an increase of \$2,066,842 (12%) in net position reported in connection with the sewer and water business-type activities. Of this, there was an increase of \$1,934,589 attributed to the sewer department and of \$132,253 attributed to the water department.

### Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting 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, the general fund *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$26,116,164, an increase of \$785,805 (3%) in comparison with the prior year.

Breakdown of the governmental funds are as follows:

- Nonspendable fund balance – \$843,016 (3%).
- Restricted fund balance – \$8,944,980 (34%).
- Committed fund balance – \$3,529,237 (14%).
- Assigned fund balance – \$1,763,188 (7%).
- Unassigned fund balance – \$11,035,743 (42%).

### Major Governmental Funds

The *General Fund* is the Town's primary operating fund and the largest source of day-to-day operations. At the end of the fiscal year, the General Fund reported a total fund balance of \$13,125,300, increasing \$1,462,923 (13%) from the prior year. Of the \$13,125,300, the unassigned amount is \$11,265,813 (86%), the assigned amount is \$1,763,188 (13%) and the restricted amount is \$96,299 (1%). General Fund revenues were \$3,473,689 (5%) more than the prior fiscal year and expenditures also increased by \$2,028,413 (3%). Other activity in the General Fund consisted of net transfers to other funds of \$615,454.

The main components of the increases in general fund revenues as compared to the prior year related to an increase in property taxes in the amount of \$1,471,663 (3%), in investment income of \$1,077,539 (1537%) and in intergovernmental "on-behalf" payments of \$498,465 (13%).

The major changes with the general fund expenditures from the prior fiscal year were as follows:

- Increase in Public safety expenditures of \$181,832 (3%).
- Increase in Public works expenditures of \$310,543 (1%).
- Increase in Education expenditures of \$651,126 (2%).
- Increase in Employee benefits and insurance expenditures of \$870,287 (7%).

The *Fire Station Design and Land Fund* is used to account for the purchase of land for a new public safety facility. The fund has a deficit balance of \$203,404 at the end of the fiscal year and shows a decrease of \$1,564,176 (115%) attributed to the expenditures. The Town has issued a bond anticipation note of \$2,100,000 which is not reflected in the Fund Balance.

The *American Rescue Plan Act (ARPA) Fund* is a United States Federal Government established funding source to assist in the fighting of the coronavirus. The activity in the Grant were receipts of \$94,490 matching the expenses. The Town has an accumulated unearned revenue of \$4,338,208 which will be used at a later date.

**Proprietary funds.** The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

### **Major Proprietary Fund**

The *Sewer Fund* has accumulated a fund balance of \$11,065,416 used in the financing and operations of the Town's sewer system. The sewer fund shows an increase of \$1,943,589 (21%) in total operations. This change was mainly attributed to operating revenues exceeding operating expenses by \$1,964,066, interest income of \$271,819, interest expense of \$80,393 and net transfers out to other funds of \$220,903. Operating revenues increased by \$85,240 (3%) while operating expenses decreased by \$1,290,310 (69%) from the prior year.

The *Water Fund* has accumulated a fund balance of \$7,876,589 used in the financing and operations of the Town's water system. The water fund shows an increase of \$132,253 (2%) in total operations. This change resulted from operating expenses exceeding operating revenues by \$61,423, interest income of \$27,378, interest expense of \$35,996 and net transfers in from other funds of \$202,294. Operating revenues increased by \$240,359 (9%) while operating expenses decreased by \$200,830 (6%) from the prior year.

### **General Fund Budgetary Highlights**

The final general fund budget for fiscal year 2023 was \$69,024,555. This was an increase of \$1,646,563 (2%) over the previous year's budget.

There was a decrease of \$145,039 between the original budget and the total final amended budget. The change is attributed to votes made at the annual town meeting of April 2023 for various budget operating line items.

General fund expenditures were less than budgeted by \$2,088,401. Of the \$2,088,401 in under budget expenditures, \$781,065 has been carried over to fiscal year 2024.

There are negative variances in property taxes of \$310,705 and in interest and penalties on taxes of \$2,500 as the expectation (budget) was higher than the actual receipts.

There is a negative variance in state assessments of \$19,856 due to lower assessments in School choice tuitions of \$3,367, in Charter School tuitions of \$16,368 and in special education of \$1,021; and higher assessments in the registry of motor vehicle non-renewal surcharge of \$900 than the actual payments.

Overall, the variance with the final budget was a positive \$3,221,468 consisting of a revenue surplus of \$1,914,132 and an appropriation surplus of \$1,307,336.

### **Capital Asset and Debt Administration**

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities amounts to \$65,357,239 and \$17,841,146, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds included the following:

- Land purchases for \$1,491,125.
- Town Buildings' energy improvements for \$63,146.
- Police vehicle and equipment purchases for \$111,096.
- Fire Station improvements for \$175,266.
- Fire Department vehicle and equipment purchases for \$51,969.
- Highway vehicle and equipment purchases for \$615,112.
- Highway infrastructure improvements for \$1,637,644.

- Proctor building improvements for \$29,843.
- School equipment purchase for \$5,300.
- Senior Center improvements for \$87,650.

Major capital acquisitions during the current fiscal year in the business-type funds included the following:

In the Sewer Fund:

- Sewer equipment purchases for \$57,106.
- Sewer infrastructure improvements for \$416,515.

In the Water Fund:

- Water infrastructure improvements for \$41,575.

**Debt Administration.** The Town's outstanding governmental long-term debt, as of June 30, 2023, totaled \$12,347,400, of which \$8,903,200 is for various school building renovations, \$2,629,100 is for various building improvements, \$400,000 is for infrastructure improvements and \$415,100 is for environmental remediation projects.

The governmental activities currently have \$3,232,000 in bond anticipation notes outstanding (\$2,832,000 for various land acquisitions and \$400,000 for an ambulance).

The business-type funds outstanding long-term debt totaling \$3,442,021 consisting of \$2,026,200 in sewer debt and \$1,415,821 which relates to water projects that are fully supported by the rates.

The Town also has \$1,146,000 in business-type temporary debt for various sewer and water projects.

Please refer to notes 3E, 3G and 3H for further discussion of the major capital and debt activity.

### **Next Year's Annual Town Meeting**

The Town of Northborough operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2023 do not reflect the fiscal year 2024 Town Meeting action except for the fund balance free cash amount used to fund the 2024 budget.

The Annual Town Meeting on April 24, 2023 authorized a fiscal year 2024 operating and capital budget as follows:

From the tax levy		\$	67,340,810
From sewer receipts			2,508,481
From solid waste receipts	\$	530,000	
From solid waste retained earnings		<u>165,524</u>	695,524
From water receipts		2,550,000	
From water retained earnings		<u>222,795</u>	2,772,795
From Other Available Funds:			
<b>General Fund:</b>			
Unassigned fund balance:			
Free cash			982,123
<b>Non-major Governmental Funds:</b>			
Animal Control Revolving		28,000	
Cable Access Television		301,085	
Cemetery trust funds		13,500	
Community preservation funds		1,026,060	
Conservation commission funds		2,478	
Fire emergency medical funds		384,016	
Premium on sale of bonds		500	
Recreation revolving		159,969	
Transportation network surcharges		<u>2,278</u>	1,917,886
			<u>\$ 76,217,619</u>

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Northborough’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 63 Main Street, Northborough, Massachusetts 01532.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 27,203,949	\$ 10,774,126	\$ 37,978,075
Investments	10,860,653	-	10,860,653
Receivables, net of allowance for uncollectibles:			
Property Taxes	546,475	-	546,475
Tax Liens	630,653	-	630,653
Excise Taxes	252,793	-	252,793
User Charges	-	1,629,797	1,629,797
Departmental	382,764	-	382,764
Special Assessments	-	40,407	40,407
Due from Other Governments	1,285,899	-	1,285,899
Leases	1,660,698	-	1,660,698
Inventory	88,311	-	88,311
Total current assets	<u>42,912,195</u>	<u>12,444,330</u>	<u>55,356,525</u>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Special Assessments	-	153,474	153,474
Capital Assets, net of accumulated Depreciation			
Nondepreciable	9,924,682	3,452,555	13,377,237
Depreciable	55,432,557	14,388,591	69,821,148
Total noncurrent assets	<u>65,357,239</u>	<u>17,994,620</u>	<u>83,351,859</u>
<b>Total Assets</b>	<u>108,269,434</u>	<u>30,438,950</u>	<u>138,708,384</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	4,633,835	111,100	4,744,935
Deferred Outflows Related to OPEB	3,657,158	58,922	3,716,080
<b>Total Deferred Outflows of Resources</b>	<u>8,290,993</u>	<u>170,022</u>	<u>8,461,015</u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants and Accounts Payable	1,615,802	184,722	1,800,524
Accrued Payroll	2,998,890	19,194	3,018,084
Payroll Withholdings	296,464	-	296,464
Accrued Interest	118,893	32,691	151,584
Other	218,837	-	218,837
Unearned Revenue	4,338,208	-	4,338,208
Compensated Absences	261,604	12,803	274,407
Due to Other Governments	-	5,072,289	5,072,289
Bond Anticipation Notes Payable	3,232,000	1,146,000	4,378,000
Bonds Payable	1,492,815	688,963	2,181,778
Total current liabilities	<u>14,573,513</u>	<u>7,156,662</u>	<u>21,730,175</u>
<b>NONCURRENT:</b>			
Compensated Absences	189,921	9,000	198,921
Net OPEB Liability	32,007,355	515,687	32,523,042
Net Pension Liability	34,738,020	832,872	35,570,892
Bonds Payable	11,314,780	3,021,467	14,336,247
Total noncurrent liabilities	<u>78,250,076</u>	<u>4,379,026</u>	<u>82,629,102</u>
<b>Total Liabilities</b>	<u>92,823,589</u>	<u>11,535,688</u>	<u>104,359,277</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes Paid in Advance	20,935	-	20,935
Deferred Inflows Related to Leases	1,660,698	-	1,660,698
Deferred Inflows Related to Pensions	1,386,189	33,235	1,419,424
Deferred Inflows Related to OPEB	6,085,350	98,044	6,183,394
<b>Total Deferred Inflows of Resources</b>	<u>9,153,172</u>	<u>131,279</u>	<u>9,284,451</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	49,317,644	12,984,716	62,302,360
Restricted for:			
Capital Projects	3,237,851	985,546	4,223,397
Federal & State Grants	2,967,830	-	2,967,830
Community Preservation	3,156,849	-	3,156,849
Permanent Funds:			
Expendable	254,823	-	254,823
Nonexpendable	754,705	-	754,705
Other Purposes	3,295,471	-	3,295,471
Unrestricted	(48,401,507)	4,971,743	(43,429,764)
<b>Total Net Position</b>	<u>\$ 14,583,666</u>	<u>\$ 18,942,005</u>	<u>\$ 33,525,671</u>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>							
General Government	\$ 4,102,313	\$ 593,929	\$ 654,667	\$ -	\$ (2,853,717)	\$ -	\$ (2,853,717)
Public Safety	6,858,701	1,917,793	238,469	-	(4,702,439)	-	(4,702,439)
Public Works	5,854,918	611,304	113,830	1,611,284	(3,518,500)	-	(3,518,500)
Education	46,021,119	190,414	7,040,208	-	(38,790,497)	-	(38,790,497)
Health and Human Services	1,522,315	241,975	678,251	-	(602,089)	-	(602,089)
Culture and Recreation	2,248,037	668,312	219,181	-	(1,360,544)	-	(1,360,544)
Employee Benefits and Insurance	2,853,363	-	4,422,097	-	1,568,734	-	1,568,734
State Assessments	305,474	-	-	-	(305,474)	-	(305,474)
Interest	351,413	-	-	-	(351,413)	-	(351,413)
<b>Total Governmental Activities</b>	<b>70,117,653</b>	<b>4,223,727</b>	<b>13,366,703</b>	<b>1,611,284</b>	<b>(50,915,939)</b>	<b>-</b>	<b>(50,915,939)</b>
<b>Business-Type Activities:</b>							
Sewer	658,459	2,542,132	271,819	-	-	2,155,492	2,155,492
Water	2,883,644	2,786,225	27,378	-	-	(70,041)	(70,041)
<b>Total Primary Government</b>	<b>\$ 73,659,756</b>	<b>\$ 9,552,084</b>	<b>\$ 13,665,900</b>	<b>\$ 1,611,284</b>	<b>(50,915,939)</b>	<b>2,085,451</b>	<b>(48,830,488)</b>
<b>General Revenues:</b>							
Property Taxes					57,846,450	-	57,846,450
Motor vehicle and other taxes					3,217,546	-	3,217,546
Penalties & Interest on taxes					179,475	-	179,475
Grants & Contributions not restricted to specific programs					1,813,782	-	1,813,782
Unrestricted Investment Income					1,007,438	-	1,007,438
Miscellaneous					29,314	-	29,314
<b>Contributions to Permanent Funds</b>					11,550	-	11,550
<b>Transfers, net</b>					18,609	(18,609)	-
<b>Total General Revenues, Contributions and Transfers</b>					<b>64,124,164</b>	<b>(18,609)</b>	<b>64,105,555</b>
<b>Change in Net Position</b>					<b>13,208,225</b>	<b>2,066,842</b>	<b>15,275,067</b>
<b>Net Position:</b>							
Beginning of year					1,375,441	16,875,163	18,250,604
End of year					<b>\$ 14,583,666</b>	<b>\$ 18,942,005</b>	<b>\$ 33,525,671</b>

The Notes to the Financial Statements are an integral part of this Statement.



**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General Fund	Fire Station Design and Land Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 11,650,983	\$ 1,896,596	\$ 4,352,399	\$ 9,303,971	\$ 27,203,949
Investments	5,526,871	-	-	5,333,782	10,860,653
Receivables, net of allowance for uncollectibles:					
Property Taxes	540,610	-	-	5,865	546,475
Tax Liens	624,946	-	-	5,707	630,653
Excise Taxes	252,793	-	-	-	252,793
Departmental	78,905	-	-	303,859	382,764
Due from Other Governments	141,789	-	-	1,144,110	1,285,899
Leases	1,660,698	-	-	-	1,660,698
Inventory	-	-	-	88,311	88,311
<b>Total Assets</b>	<b>\$ 20,477,595</b>	<b>\$ 1,896,596</b>	<b>\$ 4,352,399</b>	<b>\$ 16,185,605</b>	<b>\$ 42,912,195</b>
<b>Liabilities:</b>					
Warrants and Accounts Payable	\$ 1,172,304	\$ -	\$ 14,191	\$ 429,307	\$ 1,615,802
Accrued Payroll	2,915,809	-	-	83,081	2,998,890
Payroll Withholdings	296,464	-	-	-	296,464
Other	1,569	-	-	217,268	218,837
Unearned Grant Revenue	-	-	4,338,208	-	4,338,208
Bond Anticipation Notes Payable	-	2,100,000	-	1,132,000	3,232,000
<b>Total Liabilities</b>	<b>4,386,146</b>	<b>2,100,000</b>	<b>4,352,399</b>	<b>1,861,656</b>	<b>12,700,201</b>
<b>Deferred Inflows of Resources:</b>					
Taxes Paid in Advance	20,935	-	-	-	20,935
Related to Leases	1,660,698	-	-	-	1,660,698
Unavailable Revenue	1,284,516	-	-	1,129,681	2,414,197
<b>Total Deferred Inflows of Resources:</b>	<b>2,966,149</b>	<b>-</b>	<b>-</b>	<b>1,129,681</b>	<b>4,095,830</b>
<b>Fund Balance:</b>					
Non-Spendable	-	-	-	843,016	843,016
Restricted	96,299	-	-	8,848,681	8,944,980
Committed	-	-	-	3,529,237	3,529,237
Assigned	1,763,188	-	-	-	1,763,188
Unassigned	11,265,813	(203,404)	-	(26,666)	11,035,743
<b>Total Fund Balance</b>	<b>13,125,300</b>	<b>(203,404)</b>	<b>-</b>	<b>13,194,268</b>	<b>26,116,164</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 20,477,595</b>	<b>\$ 1,896,596</b>	<b>\$ 4,352,399</b>	<b>\$ 16,185,605</b>	<b>\$ 42,912,195</b>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Fire Station Design and Land Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 57,049,199	\$ -	\$ -	\$ 713,866	\$ 57,763,065
Intergovernmental	6,057,138	-	94,490	4,670,105	10,821,733
Excise and Other Taxes	3,197,807	-	-	-	3,197,807
Charges for Services	-	-	-	3,212,794	3,212,794
Licenses, Permits, Fees	1,524,449	-	-	-	1,524,449
Interest and Penalties on Taxes	178,500	-	-	975	179,475
Investment Income	1,007,438	-	-	153,698	1,161,136
Gifts and Donations	-	-	-	113,498	113,498
Other	-	-	-	296,028	296,028
Intergovernmental - "On-behalf" Payments	4,422,097	-	-	-	4,422,097
<b>Total Revenues</b>	<b>73,436,628</b>	<b>-</b>	<b>94,490</b>	<b>9,160,964</b>	<b>82,692,082</b>
<b>Expenditures:</b>					
Current:					
General Government	3,509,138	-	94,490	424,359	4,027,987
Public Safety	5,482,506	1,564,176	-	1,217,492	8,264,174
Public Works	3,139,181	-	-	2,902,907	6,042,088
Education	41,374,904	-	-	2,854,250	44,229,154
Health and Human Services	740,986	-	-	666,754	1,407,740
Culture and Recreation	1,220,842	-	-	757,203	1,978,045
Employee Benefits and Insurance	13,658,093	-	-	-	13,658,093
State Assessments	305,474	-	-	-	305,474
Debt Service:					
Principal	1,377,200	-	-	263,000	1,640,200
Interest	549,927	-	-	46,165	596,092
<b>Total Expenditures</b>	<b>71,358,251</b>	<b>1,564,176</b>	<b>94,490</b>	<b>9,132,130</b>	<b>82,149,047</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,078,377</b>	<b>(1,564,176)</b>	<b>-</b>	<b>28,834</b>	<b>543,035</b>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	826,706	-	-	1,459,204	2,285,910
Operating Transfers Out	(1,442,160)	-	-	(825,141)	(2,267,301)
Bond Premium	-	-	-	61,161	61,161
Proceeds from Issuance of Bonds and Notes	-	-	-	163,000	163,000
<b>Total Other Financing Sources (Uses)</b>	<b>(615,454)</b>	<b>-</b>	<b>-</b>	<b>858,224</b>	<b>242,770</b>
<b>Net Change in Fund Balances</b>	<b>1,462,923</b>	<b>(1,564,176)</b>	<b>-</b>	<b>887,058</b>	<b>785,805</b>
<b>Fund Balances, Beginning of Year</b>	<b>11,662,377</b>	<b>1,360,772</b>	<b>-</b>	<b>12,307,210</b>	<b>25,330,359</b>
<b>Fund Balances, End of Year</b>	<b>\$ 13,125,300</b>	<b>\$ (203,404)</b>	<b>\$ -</b>	<b>\$ 13,194,268</b>	<b>\$ 26,116,164</b>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**Total Fund Balances to the Statement of Net Position**  
**For the Year Ended June 30, 2023**

<b>Total Governmental Fund Balances</b>		\$	26,116,164
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.			65,357,239
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.			2,414,197
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.			819,454
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:			
Bonds Payable	\$	(12,807,595)	
Net Other Post Employment Benefits Liability		(32,007,355)	
Net Pension Liability		(34,738,020)	
Compensated Absences		<u>(451,525)</u>	(80,004,495)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.			<u>(118,893)</u>
<b>Net Position of Governmental Activities</b>		<b>\$</b>	<b><u><u>14,583,666</u></u></b>

The Notes to the Financial Statements are an integral part of this Statement.

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

**Net Change in Fund Balances - Total Governmental Funds** \$ 785,805

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 are reported as depreciation expense:

Capital Outlay Purchases	\$ 4,216,291	
Depreciation	<u>(4,909,279)</u>	(692,988)

Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.

615,187

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

Repayment of Debt Principal	1,640,200	
Net Amortization of Premium from Issuance of Bonds	233,703	
Premium from the Issuance of Bonds and Notes	(61,161)	
Proceeds from Issuance of Bonds and Notes	<u>(163,000)</u>	1,649,742

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:

Net Change in Compensated Absences	34,773	
Net Change in Net Other Post Employment Benefits Liability	11,888,055	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	74,618	
Net Change in Net Pension Liability	(6,384,432)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	5,226,489	
Net Change in Accrued Interest on Long-Term Debt	<u>10,976</u>	<u>10,850,479</u>

**Change in Net Position of Governmental Activities** \$ 13,208,225

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -  
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual Budgetary Basis	Amounts Carried Forward to Next year	Variance with Final Budget Positive (Negative)
	Amounts Carried Forward from Prior Year	Original Budget	Final Budget			
<b>Revenues:</b>						
Property Taxes	\$ -	\$ 57,440,373	\$ 57,358,904	\$ 57,048,199	\$ -	\$ (310,705)
Intergovernmental	-	5,726,953	5,726,953	6,057,138	-	330,185
Excise and Other Taxes	-	2,921,000	2,921,000	3,197,807	-	276,807
Licenses, Permits, Fees	-	778,000	778,000	1,524,449	-	746,449
Interest and Penalties on Taxes	-	181,000	181,000	178,500	-	(2,500)
Interest on Investments	-	20,000	20,000	893,896	-	873,896
<b>Total Revenues</b>	-	67,067,326	66,985,857	68,899,989	-	1,914,132
<b>Expenditures:</b>						
Current:						
General Government	146,449	3,950,409	3,690,596	3,509,138	107,378	74,080
Public Safety	124,204	5,535,131	5,742,407	5,482,506	162,349	97,552
Public Works	390,519	2,830,288	3,397,260	3,139,181	194,706	63,373
Education	158,898	41,584,862	41,693,656	41,374,904	262,309	56,443
Health and Human Services	9,065	801,325	832,449	740,986	761	90,702
Culture and Recreation	14,079	1,203,825	1,247,647	1,220,842	19,908	6,897
Employee Benefits and Insurance	39,475	10,157,594	10,197,069	9,235,996	33,654	927,419
State Assessments	-	285,618	285,618	305,474	-	(19,856)
Debt Service:						
Principal	-	1,377,200	1,377,200	1,377,200	-	-
Interest	-	560,653	560,653	549,927	-	10,726
<b>Total Expenditures</b>	882,689	68,286,905	69,024,555	66,936,154	781,065	1,307,336
<b>Excess of Revenues Over (Under) Expenditures</b>	(882,689)	(1,219,579)	(2,038,698)	1,963,835	(781,065)	3,221,468
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	-	871,189	807,619	826,706	-	19,087
Operating Transfers Out	-	(537,160)	(1,642,160)	(1,642,160)	-	-
<b>Total Other Financing Sources (Uses)</b>	-	334,029	(834,541)	(815,454)	-	19,087
<b>Net Change in Budgetary Fund Balance</b>	(882,689)	(885,550)	(2,873,239)	\$ 1,148,381	\$ (781,065)	\$ 3,240,555
<b>Other Budgetary Items:</b>						
Free Cash and Other Reserves	-	885,550	1,990,550			
Prior Year Encumbrances	882,689	-	882,689			
<b>Total Other Budgetary Items</b>	882,689	885,550	2,873,239			
<b>NET BUDGET</b>	\$ -	\$ -	\$ -			

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Reconciliation of Revenues and Expenditures**  
**from Budgetary Basis to GAAP Basis**  
**For the Year Ended June 30, 2023**

	<b>Revenues</b>	<b>Expenditures</b>
<b>Reported on a Budgetary Basis</b>	\$ 68,899,989	\$ 66,936,154
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	113,542	-
Recognition of Intergovernmental Revenue - "on behalf payments"	4,422,097	-
Recognition of Expenditures - "on behalf payments"	-	4,422,097
Net Increase in Revenue from Recording 60-Day Receipts	1,000	-
<b>Reported on a GAAP Basis</b>	<b>\$ 73,436,628</b>	<b>\$ 71,358,251</b>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Total</b>
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and Cash Equivalents	\$ 9,403,334	\$ 1,370,792	\$ 10,774,126
User Charges, net of allowance for uncollectibles	777,657	852,140	1,629,797
Special Assessments	37,973	2,434	40,407
Total current assets	10,218,964	2,225,366	12,444,330
<b>NONCURRENT:</b>			
Special Assessments	143,464	10,010	153,474
Capital Assets, net of accumulated depreciation:			
Nondepreciable	3,295,514	157,041	3,452,555
Depreciable	5,810,721	8,577,870	14,388,591
Total noncurrent assets	9,249,699	8,744,921	17,994,620
<b>Total Assets</b>	19,468,663	10,970,287	30,438,950
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	44,440	66,660	111,100
Deferred Outflows Related to OPEB	23,569	35,353	58,922
<b>Total Deferred Outflows of Resources</b>	68,009	102,013	170,022
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Accounts Payable	163,631	21,091	184,722
Accrued Payroll	7,678	11,516	19,194
Accrued Interest	18,325	14,366	32,691
Compensated Absences	5,121	7,682	12,803
Due to Other Governments	5,072,289	-	5,072,289
Bond Anticipation Notes Payable	450,000	696,000	1,146,000
Bonds Payable	377,693	311,270	688,963
Total current liabilities	6,094,737	1,061,925	7,156,662
<b>NONCURRENT:</b>			
Compensated Absences	3,600	5,400	9,000
Net OPEB Liability	206,275	309,412	515,687
Net Pension Liability	333,146	499,726	832,872
Bonds Payable	1,780,986	1,240,481	3,021,467
Total noncurrent liabilities	2,324,007	2,055,019	4,379,026
<b>Total Liabilities</b>	8,418,744	3,116,944	11,535,688
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	13,294	19,941	33,235
Deferred Inflows Related to OPEB	39,218	58,826	98,044
<b>Total Deferred Inflows of Resources</b>	52,512	78,767	131,279
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,497,556	6,487,160	12,984,716
Restricted for Capital	457,340	528,206	985,546
Unrestricted	4,110,520	861,223	4,971,743
<b>Total Net Position</b>	\$ 11,065,416	\$ 7,876,589	\$ 18,942,005

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Water Fund	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 2,480,963	\$ 2,751,960	\$ 5,232,923
Special Assessments	61,169	34,265	95,434
<b>Total Operating Revenues</b>	2,542,132	2,786,225	5,328,357
<b>Operating Expenses:</b>			
Salaries & Wages	214,191	383,091	597,282
Operating Expenses	114,179	1,925,147	2,039,326
Depreciation	249,696	539,410	789,106
<b>Total Operating Expenses</b>	578,066	2,847,648	3,425,714
<b>Operating Income (Loss)</b>	1,964,066	(61,423)	1,902,643
<b>Non-Operating Revenues (Expenses):</b>			
Investment Income	271,819	27,378	299,197
Interest Expense	(80,393)	(35,996)	(116,389)
<b>Total Non-Operating Revenues (Expenses)</b>	191,426	(8,618)	182,808
<b>Income (Loss) Before Operating Transfers</b>	2,155,492	(70,041)	2,085,451
<b>Operating Transfers:</b>			
Transfer In	25,000	227,294	252,294
Transfers (Out)	(245,903)	(25,000)	(270,903)
<b>Total Operating Transfers</b>	(220,903)	202,294	(18,609)
<b>Change in Net Position</b>	1,934,589	132,253	2,066,842
<b>Net Position at Beginning of Year</b>	9,130,827	7,744,336	16,875,163
<b>Net Position at End of Year</b>	\$ 11,065,416	\$ 7,876,589	\$ 18,942,005

The Notes to the Financial Statements are an integral part of this Statement.



**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Total</b>
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers and Users	\$ 2,589,622	\$ 2,676,752	\$ 5,266,374
Payments to Vendors	(813,272)	(1,858,551)	(2,671,823)
Payments to Employees	(212,922)	(381,188)	(594,110)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>1,563,428</b>	<b>437,013</b>	<b>2,000,441</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers from (to) Other Funds	(220,903)	202,294	(18,609)
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<b>(220,903)</b>	<b>202,294</b>	<b>(18,609)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and Construction of Capital Assets	(518,621)	(41,575)	(560,196)
Principal Payments on Bonds and Notes	(409,700)	(333,705)	(743,405)
Interest Expense	(120,734)	(82,836)	(203,570)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(1,049,055)</b>	<b>(458,116)</b>	<b>(1,507,171)</b>
<b>Cash Flows from Investing Activities:</b>			
Investment Income	271,819	27,378	299,197
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>271,819</b>	<b>27,378</b>	<b>299,197</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>565,289</b>	<b>208,569</b>	<b>773,858</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>\$8,838,045</b>	<b>\$1,162,223</b>	<b>\$10,000,268</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 9,403,334</b>	<b>\$ 1,370,792</b>	<b>\$ 10,774,126</b>

**Reconciliation of Operating Income (Loss) to Net Cash Provided  
by (Used For) Operating Activities:**

<b>Operating Income (Loss)</b>	\$ 1,964,066	\$ (61,423)	\$ 1,902,643
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>			
Depreciation	249,696	539,410	789,106
Deferred (Outflows)/Inflows of Resources Related to Pensions	(49,657)	(74,486)	(124,143)
Deferred (Outflows)/Inflows of Resources Related to OPEB	4,956	7,434	12,390
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	105,687	3,666	109,353
Increase (Decrease) in Accrued Payroll	970	1,454	2,424
Increase (Decrease) in Compensated Absences	299	449	748
Increase (Decrease) in Due to Other Governments	(846,733)	-	(846,733)
Increase (Decrease) in Net OPEB Liability	18,740	28,110	46,850
Increase (Decrease) in Net Pension Liability	67,914	101,872	169,786
Decrease (Increase) in User Charges Receivable	47,490	(109,473)	(61,983)
<b>Total Adjustments</b>	<b>(400,638)</b>	<b>498,436</b>	<b>97,798</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 1,563,428</b>	<b>\$ 437,013</b>	<b>\$ 2,000,441</b>

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	<b>Other Post Employment Benefits Trust Fund</b>	<b>Private Purpose Trust Funds</b>
<b>ASSETS:</b>		
Investments	\$ 5,224,838	\$ 184,363
<b>Total Assets</b>	5,224,838	184,363
 <b>NET POSITION:</b>		
Restricted for Other Postemployment Benefits	5,224,838	-
Held in Trust for Other Purposes	-	184,363
<b>Total Net Position</b>	\$ 5,224,838	\$ 184,363

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Other Post Employment Benefits Trust Fund</b>	<b>Private Purpose Trust Funds</b>
<b>Additions</b>		
Contributions:		
Employer	\$ 1,996,504	\$ -
Investment Income	273,235	4,404
<b>Total Additions</b>	<b>2,269,739</b>	<b>4,404</b>
<b>Deductions:</b>		
Insurance and Employee Benefits	1,696,504	-
<b>Total Deductions</b>	<b>1,696,504</b>	<b>-</b>
<b>Change in Net Position</b>	<b>573,235</b>	<b>4,404</b>
<b>Net Position at Beginning of Year</b>	<b>4,651,603</b>	<b>179,959</b>
<b>Net Position at End of Year</b>	<b>\$ 5,224,838</b>	<b>\$ 184,363</b>

The Notes to the Financial Statements are an integral part of this Statement

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Town of Northborough, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

**A. Reporting Entity**

The Town was incorporated in 1766 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected five-member Select Board.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2023, it was determined that no entities met the required GASB-39 and GASB-61 criteria for component units.

The Town is responsible for electing the governing board and/or committee members of the Northborough Housing Authority, the Assabet Valley Regional Vocational Technical School District, and the Northborough-Southborough Regional School District. The Town is indirectly liable for debt and other expenditures of the School Districts and is assessed annually for its share of operating and capital costs. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board and/or committee members. Audited financial statements are available from the respective organizations. Descriptions of the related organizations are as follows:

**Northborough Housing Authority** - A public housing agency that provides housing assistance to eligible and qualified low and moderate income families, the elderly and handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The Town has no significant influence over management, budget or policies of the authority.

**Assabet Valley Regional Vocational Technical School District** – A regional school district made up of seven communities to serve and provide a learning environment in specific career areas. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects school committee members for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

**Northborough-Southborough Regional School District** – A regional school district made up of two communities to serve and provide a learning environment in specific career areas. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects school committee members for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**B. Government-Wide and Fund Financial Statements**

**Government-wide financial statements**

The government-wide financial statements (e.g., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

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

**Fund financial statements**

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

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and change in net position.

**Major Fund Criteria**

Major funds must be reported if the following criteria are met:

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),

*and*

- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding element for all governmental funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Proprietary and fiduciary funds are reported by fund type.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**C. 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, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported.

**Fund financial statements**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under the modified accrual basis concept, 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 thereafter to be used to pay current liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The Town reports the following major governmental funds:

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

The *fire station design and land fund* is used to account for the purchase of land for a new public safety facility.

The *american rescue plan act (ARPA) grant* is a United States Federal Government established funding source to assist in the fighting of the coronavirus.

The Town reports the following major proprietary funds:

The *sewer fund* is used to account for the sewer activities.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

The *water fund* is used to account for the water activities.

The non-major governmental fund consists of other special revenue, capital projects and permanent funds that are aggregated and presented in the *non-major governmental funds'* column on the governmental funds' financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds).

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Additionally, the Town reports the following fund types:

*Fiduciary fund* financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government programs. The Town reports the following fiduciary funds:

The *Other Post Employment Benefit (OPEB) Trust Fund* is used to account for the assets held by the Town in trust for the payment of future retiree health insurance benefits. The assets of the OPEB Trust Fund cannot be used to support the Town's operations.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

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

**D. Cash and Cash Equivalents**

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

Excluding the permanent funds, investment income derived from major and non-major governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

Investment income from proprietary funds is maintained in those funds.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**E. Investments**

The Town maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool.

Additional investment disclosures are presented in these Notes.

**F. Receivables**

The recognition of revenues related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

**Property Taxes, Deferred Property Taxes, Tax Liens and Taxes in Litigation**

Property taxes are based on assessments as of January 1, 2022 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.



**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

The Town mailed preliminary tax bills for the fiscal year 2023 on June 21, 2022, that were due on August 1, 2022 and November 1, 2022 and actual bills on December 31, 2022 and March 23, 2023, that were due on February 1, 2023 and May 1, 2023.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2023 is as follows;

Legal Levy Limit Under Proposition 2 1/2 for fiscal year 2023	\$	60,232,198
Add: Debt Exclusion		2,065,769
Maximum Allowable Levy	\$	62,297,967

The total amount raised by taxation was \$57,507,128.

The allowance for uncollectible accounts is based on historical trends and specific account analysis.

**Excise Taxes**

Excise taxes consist of motor vehicle excise. Excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles.

The tax calculation is the fair value of the vehicle multiplied by the \$25 per \$1,000 of value.

The allowance for uncollectibles is based on historical trends and specific account analysis.

**User Charges**

User charges in the governmental funds consist of prior fiscal year sewer that is based on individual meter readings and is subject to penalties and interest if not paid by the respective due date. Sewer charges and liens are recorded as receivables in the fiscal year of the levy.

User charges and fees in the business-type funds consist of sewer and water that is levied quarterly based on individual meter readings and is subject to penalties and interest if not paid by the respective due date. Sewer and water liens are processed each year and are included as a lien on the property owner's tax bill. Sewer and water charges and liens are recorded as receivables in the fiscal year of the levy.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

**Departmental**

Departmental receivables consist of sale of bags, licenses, police off-duty details and ambulance fees.

The allowance for uncollectibles is based upon historical trends and specific account analysis.

**Special Assessments**

Special assessments consist of the sewer and water betterments.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

**Due from Other Governments**

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

**Lease Receivable**

Lease receivable consists of cell tower facilities in the governmental activities. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

This receivable is considered 100% collectible and, therefore, does not report an allowance for uncollectibles.

**G. Capital Assets**

Capital assets, which include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value.

All purchase and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

<b>Capital Asset Type</b>	<b>Years</b>
Land improvements	20-30
Buildings	40
Buildings improvements	7-20
Machinery, equipment and other	3-10
Infrastructure	30-100

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

**H. Interfund Transfers**

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers net".

In the fund financial statements, operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

**I. Deferred Outflows/Inflows of Resources**

**Government-wide financial statements**

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the items in this category are *deferred outflows related to pensions and deferred outflows related to OPEB*.

In addition to liabilities, the *Statement of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are *taxes paid in advance, deferred inflows related to leases, deferred inflows related to pensions and deferred inflows related to OPEB*.

**Fund financial statements**

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Town has only three types of items, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the items, *taxes paid in advance, related to leases, and unavailable revenue*, are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property, excise and other taxes; departmental revenue, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. See note 3 D for explanation on taxes paid in advance and 3 C for related to leases.

**J. Net position and Fund Balances**

In the Government-Wide financial statements, the difference between the Town's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources represents net position. Net position displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" represents amounts restricted by the federal and state government for various programs.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

“Community preservation fund” represents amounts that are restricted for the preservation of open space, historical resources and community housing.

“Permanent funds – nonexpendable” represents amounts held in trust for which only investment earnings may be expended.

“Permanent funds – expendable” represents amounts held in trust for which the expenditures are restricted by various trust agreements.

“Other purposes” represents restrictions placed on assets from outside parties.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority, which is the Town meeting action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit.

*Assigned fund balance.* This classification reflects the amounts constrained by the Town’s “intent” to be used for specific purposes, but are neither restricted nor committed. Department heads and Town board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the Town’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

**K. Long-term Debt**

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

**L. Investment Income**

Investment income derived from major and non-major governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

**M. Compensated Absences**

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

**N. Pension Benefits**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Worcester Regional Retirement System (the System) and the Massachusetts Teachers Retirement System (MTRS) are provided. Additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable according with the benefit terms. Investments are reported at their fair value.

**O. Post Retirement Benefits**

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's 70% – 75% share of insurance premiums in the general fund in the fiscal year paid.

**P. 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 disclosure 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.

**Q. Total Column**

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

An annual budget is adopted for the Town's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The Town must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non-property tax revenues estimated to be received, including available funds.

The Town follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

- The budgets for all departments are prepared by the department heads and submitted to the Town Manager who presents the budget to the Town's finance committee for review.
- The finance committee, in turn, presents the omnibus budget for voter approval at the Annual Town Meeting of each fiscal year.
- The Town Manager can also present an alternative budget at the Town Meeting if there is not a finance committee consensus.
- The budget is legally enacted by vote of Town meeting members at the annual Town meeting.
- Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

Massachusetts law requires cities and towns to provide a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein . . . "

For fiscal year 2023, the Town incurred a final budget deficit of \$2,873,239 for the General Fund.

The Town voted from the following sources to fund the deficit budget during the fiscal year:

Unassigned fund balance:	
Free cash votes	\$ 1,980,000
Reserved for debt	10,550
Prior year's encumbrances	882,689
	\$ 2,873,239
	\$ 2,873,239

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**B. Deficit Fund Balances**

The following funds have deficits at June 30, 2023 as measured by the balance of unreserved fund balance.

- The Fire station design and land fund, a capital project and major fund, has a deficit of \$203,404. The Town has a bond anticipation note of \$2.1 million. The deficit will be eliminated upon the issuance of permanent debt.
- The ambulance capital project fund has a deficit of \$4,350. The Town has a bond anticipation note of \$400,000. The deficit will be eliminated upon the issuance of permanent debt.
- The Emergency management (Covid-19) grant special revenue funds have deficits totaling of \$22,316. These deficits will be eliminated upon additional receipts or appropriation.

**3. DETAILED NOTES**

**A. Deposits and Investments**

**Custodial Credit Risks – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2023 were \$8,583,896. Of these, \$3,661,209 are exposed to custodial credit risk as uninsured and uncollateralized.

**Investment Policies**

Investments of funds, except for trust funds, are generally restricted by Massachusetts General Laws, Chapter 44, Section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost.

Pension Reserves Investment Trust (PRIT) Fund is a pooled investment fund created under the supervision of the Pension Reserves Investment Management (PRIM) Board. The PRIT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost. PRIT's fair value is measured at amortized cost.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

As of June 30, 2023, the Town had the following investments and maturities:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>	
		<b>Less Than 1</b>	<b>1 to 5</b>
<b>Debt Securities:</b>			
U. S. treasury obligations	\$ 3,659,930	\$ 655,116	\$ 3,004,814
U. S. government agencies	670,108	-	670,108
Corporate bonds	4,783,545	1,367,008	3,416,537
	<u>9,113,583</u>	<u>\$ 2,022,124</u>	<u>\$ 7,091,459</u>
<b>Other Investments:</b>			
Equity mutual funds	91,339		
Equity securities - domestic (stocks)	1,338,648		
Money Market Mutual funds	501,446		
PRIM/PRIT	5,224,838		
	<u>\$ 16,269,854</u>		

**Custodial Credit Risks**

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$16,269,854 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

**Interest Rate Risk**

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.



**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**Credit Risk**

The Town's exposure to credit risk as of June 30, 2023 is as follows:

Related Debt Instruments	Fair Value
<b>Moody's Quality Ratings</b>	
<b><i>U. S. Treasury Obligations:</i></b>	
Aaa	\$ 3,659,930
<b><i>U. S. Government Agencies:</i></b>	
Aaa	670,108
<b><i>Corporate Bonds:</i></b>	
Aaa	458,960
A1	685,137
A2	1,114,934
Baa1	778,991
Baa2	1,745,523
	\$ 9,113,583

**Concentration of Credit Risk**

The Town places no limit on the amount the Town may invest in one issuer. The Town does not have more than 5 percent of the Town's investments in one issuer.

**Fair Value of Investments**

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

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

Investment Type	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U. S. treasury obligations	\$ 3,659,930	\$ 3,659,930	\$ -	\$ -
U. S. government agencies	670,108	670,108	-	-
Equity mutual funds	91,339	91,339	-	-
Equity securities - domestic	1,338,648	1,338,648	-	-
Money market mutual fund	501,446	501,446	-	-
Corporate bonds	4,783,545	-	4,783,545	-
	11,045,016	\$ 6,261,471	\$ 4,783,545	\$ -
Investments Measured at Amortized Cost:				
External Investment Pools (PRIM/PRIT)	5,224,838			
<b>Total Investments</b>	<b>\$ 16,269,854</b>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**B. Receivables**

At June 30, 2023, receivables for the individual major governmental funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<b>Major and nonmajor governmental funds:</b>			
Property taxes	\$ 552,241	\$ (5,766)	\$ 546,475
Tax liens	630,653	-	630,653
Excise taxes	320,182	(67,389)	252,793
Departmental	524,985	(142,221)	382,764
Due from other governments	1,285,899	-	1,285,899
Leases	1,660,698	-	1,660,698
	<b>\$ 4,974,658</b>	<b>\$ (215,376)</b>	<b>\$ 4,759,282</b>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

At June 30, 2023, receivables for the business-type activities consist of the following:

	<b>Gross Amount</b>	<b>Allowance for Uncollectibles</b>	<b>Net Amount</b>
<b>Sewer Fund:</b>			
Sewer user charges	\$ 151,265	\$ (1,000)	\$ 150,265
Sewer unbilled	621,953	-	621,953
Sewer tax liens	5,439	-	5,439
Special assessments	181,437	-	181,437
<b>Water Fund:</b>			
Water user charges	183,588	(1,000)	182,588
Water unbilled	663,492	-	663,492
Water tax liens	6,060	-	6,060
Special assessments	12,444	-	12,444
	<u>\$ 1,825,678</u>	<u>\$ (2,000)</u>	<u>\$ 1,823,678</u>

The composition of amounts due from other governments as of June 30, 2023 for governmental funds and the business-type activities are as follows:

**General Fund:**

**Commonwealth of Massachusetts:**

Department of Veterans Services:

Veterans benefits \$ 30,093

Department of Revenue:

Veterans, blind and surviving spouses 58,801

Executive Office of Health and Human Services:

Medicaid payments 19,248

Massachusetts Department of Transportation:

Civil motor vehicle infractions (CMVI) 6,375

**Other:**

Due from various municipalities 27,272 \$ 141,789

**Nonmajor Governmental Funds:**

**U. S. Department of Agriculture:**

School lunch 66,614

**U. S. Department of Education:**

School title grants 41,819

**U. S. Department of Homeland Security:**

Pass Through Commonwealth of Massachusetts:

Federal Emergency Management Agency 42,867

**Commonwealth of Massachusetts:**

Department of Elementary and Secondary Education:

School Lunch 47,200

Department of Fire Services:

Fire equipment grant 19,000

Department of Public Health 75,000

Department of Revenue 49,600

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funded projects 802,010 1,144,110

\$ 1,285,899

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**C. Lease Receivable**

**Governmental Funds**

The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. Revenue is recognized when earned.

On January 14, 2011, the Town entered into a 20-year property lease with the U.S. Wireless, Inc., to lease real property within the Town of Northborough located at 211 Main Street for the purpose of constructing, installing and operating a telecommunications facility (wireless communications facility). The Commencement Date of the property lease was the date the lessee signed the agreement. The fixed payment will be equal to \$24,250 per annum paid in twelve equal monthly installments with 3.0% increases every year of the lease term plus 10% of the gross co-location collected rent received by the lessee for the use of the facility by third-party telecommunication providers. The lease receivable is measured at the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.5%.

On November 1, 2021, the Town entered into a 20-year property lease with the CCATT, LLC, to lease real property within the Town of Northborough located at 119 Bearfoot Road for the purpose of constructing, installing and operating a telecommunications facility (wireless communications facility). The Commencement Date of the property lease was the date the lessee signed the agreement. The fixed payment will be equal to \$60,000 per annum paid in twelve equal monthly installments with 5.0% increases every year of the lease term plus 40% of the gross rent received by the lessee ("Sublease Rent") for the use of the facility by third-party telecommunication providers. The property lease has provisions for additional option periods to renew the lease for two extension terms of five years each. The lease receivable is measured at the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.5%.

In Fiscal year 2023, the Town recognized \$44,175 of lease revenue and \$50,892 of interest revenue under the lease which is included in Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

The future minimum lease receivables are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 49,634	\$ 49,516	\$ 99,150
2025	55,442	47,974	103,416
2026	61,621	46,253	107,874
2027	68,192	44,343	112,535
2028	75,174	42,231	117,405
2029-2033	406,472	172,815	579,287
2034-2038	471,697	122,056	593,753
2039-2042	472,466	14,021	486,487
	<u>\$ 1,660,698</u>	<u>\$ 539,209</u>	<u>\$ 2,199,907</u>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**D. Deferred Inflows of Resources**

**Taxes Paid in Advance**

Governmental funds report deferred inflows of resources in connection with tax revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, these revenues are deferred inflows of resources reported in the governmental funds and are as follows:

<b>General Fund:</b>	
Real Estate taxes	\$ 20,677
Property taxes	258
	<u>\$ 20,935</u>

**Unavailable Revenue**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds are as follows:

<b>General Fund:</b>	
Property taxes	\$ 271,407
Deferred property taxes	15,203
Tax liens	624,946
Excise taxes	252,793
Departmental	78,905
Due from other governments	41,262
Lease	1,660,698
	<u>\$ 2,945,214</u>
<b>Nonmajor Governmental Funds:</b>	
Property taxes	5,865
Tax liens	5,707
Departmental	284,394
Due from other governments	833,715
	<u>1,129,681</u>
	<u>\$ 4,074,895</u>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**E. Capital Assets**

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

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 8,175,633	\$ 1,491,125	\$ -	\$ 9,666,758
Construction in Progress	197,035	112,749	(51,860)	257,924
Total capital assets not being depreciated	8,372,668	1,603,874	(51,860)	9,924,682
Capital assets being depreciated:				
Buildings and Renovations	70,019,845	248,456	-	70,268,301
Machinery, equipment and other	23,115,944	778,177	(240,302)	23,653,819
Infrastructure	41,924,104	1,637,644	-	43,561,748
Total capital assets being depreciated	135,059,893	2,664,277	(240,302)	137,483,868
Less accumulated depreciation for:				
Buildings and Renovations	31,517,222	2,342,059	-	33,859,281
Machinery, equipment and other	17,587,923	989,906	(240,302)	18,337,527
Infrastructure	28,277,189	1,577,314	-	29,854,503
Total accumulated depreciation	77,382,334	4,909,279	(240,302)	82,051,311
Total capital assets being depreciated, net	57,677,559	(2,245,002)	-	55,432,557
Total governmental activities capital assets, net	\$ 66,050,227	\$ (641,128)	\$ (51,860)	\$ 65,357,239
<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 2,771,038	\$ -	\$ -	\$ 2,771,038
Construction in progress	265,002	416,515	-	681,517
Total capital assets not being depreciated	3,036,040	416,515	-	3,452,555
Capital assets being depreciated:				
Buildings and improvements	8,339,378	-	-	8,339,378
Machinery, equipment and other	3,794,508	57,106	-	3,851,614
Infrastructure	23,613,628	41,575	-	23,655,203
Total capital assets being depreciated	35,747,514	98,681	-	35,846,195
Less accumulated depreciation for:				
Buildings and improvements	3,978,809	217,066	-	4,195,875
Machinery, equipment and other	2,917,245	231,661	-	3,148,906
Infrastructure	13,772,444	340,379	-	14,112,823
Total accumulated depreciation	20,668,498	789,106	-	21,457,604
Total capital assets being depreciated, net	15,079,016	(690,425)	-	14,388,591
Total business-type activities capital assets, net	\$ 18,115,056	\$ (273,910)	\$ -	\$ 17,841,146

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

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

**Governmental Activities:**

General government	\$	171,609
Public safety		425,431
Public works		2,069,589
Education		1,817,818
Health and human services		154,321
Culture and recreation		270,511
Total depreciation expense - governmental activities	\$	<u><u>4,909,279</u></u>

**Business-Type Activities:**

Sewer fund	\$	249,696
Water fund		539,410
Total depreciation expense - business-type activities	\$	<u><u>789,106</u></u>

**F. Interfund Receivables, Payables and Transfers**

Interfund transfers for the fiscal year ended June 30, 2023, are summarized as follows:

Transfers Out:	Transfers In:		
	General fund	Nonmajor governmental funds	Total
General fund	\$ -	\$ 1,442,160	\$ 1,442,160
Nonmajor governmental funds	825,141	-	825,141
Business-type activities	1,565	17,044	18,609
Total transfers out	\$ 826,706	\$ 1,459,204	\$ 2,285,910

**G. Short-Term Financing**

Under the general laws of the Commonwealth and with the appropriate local authorization the Town is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

Details related to the short-term debt activity of the governmental type activities are as follows:

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2022	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2023
<b>Bond Anticipation Notes:</b>						
Land Acquisition-White Cliffs	3.00%	6/9/2023	\$ 895,000	\$ -	\$ 895,000	\$ -
Land Acquisition-Fire Station	3.00%	6/9/2023	2,100,000	-	2,100,000	-
Land Acquisition-White Cliffs	5.00%	6/7/2024	-	732,000	-	732,000
Land Acquisition-Fire Station	5.00%	6/7/2024	-	2,100,000	-	2,100,000
Ambulance purchase	5.00%	6/7/2024	-	400,000	-	400,000
Total Governmental Activities			<u>\$ 2,995,000</u>	<u>\$ 3,232,000</u>	<u>\$ 2,995,000</u>	<u>\$ 3,232,000</u>

Details related to the short-term debt activity of the business type fund are as follows:

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2022	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2023
<b>Bond Anticipation Notes:</b>						
<b>Sewer:</b>						
Sewer SCADA project	3.00%	6/9/2023	\$ 500,000	\$ -	\$ 500,000	\$ -
Sewer SCADA project	5.00%	6/7/2024	-	450,000	-	450,000
			-	-	-	-
<b>Water:</b>						
Water Tank-Assabet Hill	3.00%	6/9/2023	688,000	-	688,000	-
Reservoir Dam	3.00%	6/9/2023	50,000	-	50,000	-
Water Tank-Assabet Hill	5.00%	6/7/2024	-	651,000	-	651,000
Reservoir Dam	5.00%	6/7/2024	-	45,000	-	45,000
Total Business-Type Activities			<u>\$ 1,238,000</u>	<u>\$ 1,146,000</u>	<u>\$ 1,238,000</u>	<u>\$ 1,146,000</u>

**H. Long Term Debt**

**General Obligation Bonds**

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



**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

General obligation bonds currently outstanding of the governmental type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2023
<b>Inside Debt:</b>					
Church Street Bridge	2.33%	6/14/2018	6/1/2028	\$ 819,000	\$ 400,000
Remodel Highway Garage	0.44%	5/26/2021	4/1/2026	10,050	5,500
Library Construct I	0.44%	5/26/2021	4/1/2026	45,300	27,100
School Roof	0.50%	5/26/2021	4/1/2027	80,075	53,200
Police Station Repairs	0.50%	5/26/2021	4/1/2027	12,650	7,200
Highway Garage	0.50%	5/26/2021	4/1/2027	12,650	7,200
Library Building	0.59%	5/26/2021	4/1/2028	1,107,300	787,600
Library Construct II	0.59%	5/26/2021	4/1/2028	465,575	331,200
Senior Center	0.67%	5/26/2021	4/1/2029	1,949,750	1,463,300
<b>Total Inside Debt</b>					<b>3,082,300</b>
<b>Outside Debt:</b>					
Lincoln Street School	2.50%	6/17/2015	6/15/2035	7,390,000	4,430,000
Lincoln Street School	2.27%	1/21/2016	1/15/2036	6,800,000	4,420,000
Environmental Remediation	0.67%	5/26/2021	4/1/2029	561,750	415,100
<b>Total Outside Debt</b>					<b>9,265,100</b>
Total Bonded Debt					12,347,400
Add: Unamortized premium on bonds					460,195
<b>Total Governmental Type Debt</b>					<b>\$ 12,807,595</b>

**Future Debt Service**

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2023, are as follows:

Year	Principal	Interest	Total
2024	\$ 1,351,400	\$ 438,845	\$ 1,790,245
2025	1,351,000	393,175	1,744,175
2026	1,355,600	336,425	1,692,025
2027	1,343,200	279,445	1,622,645
2028	1,329,000	224,935	1,553,935
2029-2033	3,867,200	641,635	4,508,835
2034-2036	1,750,000	127,050	1,877,050
	<b>\$ 12,347,400</b>	<b>\$ 2,441,510</b>	<b>\$ 14,788,910</b>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

General obligation bonds currently outstanding of the business-type fund are as follows:

	<b>Interest Rate</b>	<b>Date Issued</b>	<b>Final Maturity Date</b>	<b>Original Amount Issued</b>	<b>Outstanding June 30, 2023</b>
<b>Inside Debt:</b>					
<b>Sewer Fund:</b>					
Sewer Project	4.00%	5/15/2005	5/15/2025	\$ 675,000	\$ 60,000
Sewer - Land Acquisition	5.84%	10/15/2009	10/15/2024	1,550,000	200,000
Sewer Inflow and Infiltration	0.81%	5/26/2021	4/1/2031	353,800	280,000
West Main Street Pump Station	0.80%	5/26/2021	4/1/2031	259,000	200,000
<b>Total Inside Debt</b>					<u>740,000</u>
<b>Outside Debt:</b>					
<b>Sewer Fund:</b>					
Hudson Street Pump Station	2.67%	6/4/2018	6/1/2033	1,363,000	895,000
Sewer Construction I	0.67%	5/26/2021	4/1/2029	441,400	329,400
Sewer Construction II	0.67%	5/26/2021	4/1/2029	82,800	61,800
<b>Total Outside Debt</b>					<u>1,286,200</u>
Total Bonded Debt					2,026,200
Add: Unamortized premium on bonds					132,479
<b>Total Sewer Debt</b>					<u>\$ 2,158,679</u>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2023
<b>Inside Debt:</b>					
<b>Water fund:</b>					
Water/Sewer Garage	0.80%	5/26/2021	4/1/2031	\$ 666,800	\$ 525,000
<b>Total Inside Debt</b>					<u>525,000</u>
<b>Outside Debt:</b>					
<b>Water fund:</b>					
Water Mains	3.85%	5/15/2005	5/15/2025	1,154,000	60,000
MWRA Meter Project	0.00%	5/15/2017	5/15/2027	986,053	394,421
Water Wells	0.66%	5/26/2021	4/1/2029	260,950	193,400
Water Main Improvement	0.67%	5/26/2021	4/1/2029	75,900	56,600
Water Tank Improvement	0.67%	5/26/2021	4/1/2029	75,900	56,600
Water Wells	0.67%	5/26/2021	4/1/2029	172,525	129,800
<b>Total Outside Debt</b>					<u>890,821</u>
Total Bonded Debt					1,415,821
Add: Unamortized premium on bonds					135,930
<b>Total Water Debt</b>					<u>1,551,751</u>
<b>Total Business-type Debt</b>					<u><u>\$ 3,710,430</u></u>

**Future Debt Service**

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2023, are as follows:

Year	Principal	Interest	Total
2024	\$ 617,205	\$ 144,030	\$ 761,235
2025	612,606	117,150	729,756
2026	453,005	93,650	546,655
2027	450,405	75,930	526,335
2028	351,000	58,340	409,340
2029-2033	957,800	85,940	1,043,740
	<u>\$ 3,442,021</u>	<u>\$ 575,040</u>	<u>\$ 4,017,061</u>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

A summary of the changes in governmental activities and business-type long term debt during the year is as follows:

	<b>Balance</b>			<b>Balance</b>	<b>Amounts Due</b>
	<b>July 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2023</b>	<b>within One</b>
					<b>Year</b>
<b>Governmental activities:</b>					
Bonds Payable:					
General obligation bonds	\$ 13,824,600	\$ -	\$ 1,477,200	\$ 12,347,400	\$ 1,351,400
Add: Unamortized premium on bonds	632,737	-	172,542	460,195	141,415
Compensated absences	486,298	26,718	61,491	451,525	261,604
Net OPEB liability	43,895,410	-	11,888,055	32,007,355	-
Net pension liability	28,353,588	6,384,432	-	34,738,020	-
<b>Governmental activity</b>					
<b>Long-term liabilities</b>	<b>\$ 87,192,633</b>	<b>\$ 6,411,150</b>	<b>\$ 13,599,288</b>	<b>\$ 80,004,495</b>	<b>\$ 1,754,419</b>
<b>Business-type activities:</b>					
Bonds Payable:					
General obligation bonds	\$ 4,093,426	\$ -	\$ 651,405	3,442,021	\$ 617,205
Add: Unamortized premium on bonds	351,389	-	82,980	268,409	71,758
Compensated absences	21,055	748	-	21,803	12,803
Net OPEB liability	468,837	46,850	-	515,687	-
Net pension liability	663,086	169,786	-	832,872	-
<b>Business-type activity</b>					
<b>Long-term liabilities</b>	<b>\$ 5,597,793</b>	<b>\$ 217,384</b>	<b>\$ 734,385</b>	<b>\$ 5,080,792</b>	<b>\$ 701,766</b>

**Legal Debt Limit**

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2023 totaled \$4,347,300.

In addition, the Town is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

The following is a computation of the legal debt limit as of June 30, 2023:

Proposed and Revised Equalized Valuation-Real Estate and Personal Property (2022)		<u>\$ 3,635,129,100</u>	
Debt Limit: 5 % of Equalized value		181,756,455	
Total Debt Outstanding	\$ 15,789,421		
Less: Debt Outside Debt Limit	<u>(11,442,121)</u>	<u>4,347,300</u>	
Inside Debt Excess Borrowing Capacity at June 30, 2023		<u>\$ 177,409,155</u>	

**Loans Authorized and Unissued - Memorandum Only**

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt. Loan authorizations that have not been issued as of June 30, 2023 and are not reflected in the Town's financial statements are as follows:

<b>Date Town Meeting Authorized</b>	<b>Purpose</b>	<b>Amount</b>
4/27/2009	Brigham Street well	\$ 3,776,630
4/25/2011	Middle School green repair	67,079
4/23/2012	Lincoln Street feasibility	15,465
4/21/2014	Lincoln Street School additions	789,632
4/21/2014	Edmund Hill water tank rehabilitation	325,000
4/25/2016	Church Street bridge	100,000
4/24/2023	Fire Engine #1 replacement	900,000
4/24/2023	Highway Garage Tight Tank	475,000
		<u>\$ 6,448,806</u>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**I. Fund Balances**

The following is a summary of the Governmental fund balances at the year ended June 30, 2023:

	<b>General Fund</b>	<b>Major Funds</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Nonspendable:</b>				
Permanent funds	\$ -	\$ -	\$ 843,016	\$ 843,016
<b>Restricted:</b>				
Federal, state and local grants	-	-	913,876	913,876
School grants	-	-	1,220,239	1,220,239
School revolving funds	-	-	485,585	485,585
Revolving funds	-	-	865,775	865,775
Community preservation fund	-	-	2,413,277	2,413,277
Donations and gifts	-	-	127,611	127,611
Reserve for debt	96,299	-	126,905	223,204
Permanent funds	-	-	254,822	254,822
Capital project funds	-	-	945,605	945,605
Other	-	-	1,494,986	1,494,986
	<u>96,299</u>	<u>-</u>	<u>8,848,681</u>	<u>8,944,980</u>
<b>Committed:</b>				
Capital project funds	-	-	2,315,234	2,315,234
Fire Emergency Medical Services	-	-	802,438	802,438
Solid waste fund	-	-	411,565	411,565
	<u>-</u>	<u>-</u>	<u>3,529,237</u>	<u>3,529,237</u>
<b>Assigned:</b>				
General government	107,378	-	-	107,378
Public safety	162,349	-	-	162,349
Public works	194,706	-	-	194,706
Education	262,309	-	-	262,309
Health and human services	761	-	-	761
Culture and recreation	19,908	-	-	19,908
Employee benefits and insurance	33,654	-	-	33,654
Subsequent year's budget	982,123	-	-	982,123
	<u>1,763,188</u>	<u>-</u>	<u>-</u>	<u>1,763,188</u>
<b>Unassigned:</b>				
General fund	11,265,813	-	-	11,265,813
Capital projects	-	(203,404)	(4,350)	(207,754)
Special revenue funds	-	-	(22,316)	(22,316)
	<u>11,265,813</u>	<u>(203,404)</u>	<u>(26,666)</u>	<u>11,035,743</u>
<b>Total Governmental fund balances</b>	<u>\$ 13,125,300</u>	<u>\$ (203,404)</u>	<u>\$ 13,194,268</u>	<u>\$ 26,116,164</u>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**J. Special Trust Funds**

**Stabilization Fund**

Massachusetts General Laws, Chapter 40, Section 5B, allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. 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. Any interest shall be added to and become a part of the fund.

At June 30, 2023, the balance in the stabilization funds is \$5,298,019 and is reported in the General Fund as unassigned fund balance.

**4. OTHER INFORMATION**

**A. Sewage Treatment Litigation**

The Town's sewage output is sent to the City of Marlborough's municipal treatment plant (the Plant). The Town has been utilizing the City's Plant under an inter-municipal agreement for many years. This agreement has expired, and the City and the Town are currently in litigation regarding how recent and future sewage treatment will be charged. The City is currently charging the Town as an out of City commercial user, while the Town believes that charges must be based on a methodology like that provided for in the expired inter-municipal agreement. The Town has accrued a liability at June 30, 2023, of approximately \$5,891,933 for a potential resolution of this issue based on the methodology the Town believes will be implemented as a result of the litigation. The City of Marlborough has provided the Town with an invoice that has an outstanding balance due from the Town at June 30, 2022, of approximately \$5,919,022, which the Town believes is significantly overstated based on the past inter-municipal agreement.

**B. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**C. Contingent Liabilities**

**Litigation**

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, Town management believes such disallowances, if any, will not be material.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**D. Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued.

**E. Pension Plan**

**Plan Description**

The Town is a member of the Worcester Regional Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Worcester Regional Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 23 Midstate Drive, Suite 106, Auburn, Massachusetts 01501.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan, to which the Town does not contribute. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for the contributions and future benefit requirements of the MTRS.

**Special Funding Situation**

The Commonwealth is a nonemployer contributor and is responsible by statute to make all actuarially determined contributions and future benefit requirements on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in the MTRS. Since the Town does not contribute directly to MTRS, there is no pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based upon each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2022. The Town's portion of the collective pension expense contributed by the Commonwealth of \$4,422,097 on-behalf payments for the fiscal year ending June 30, 2023 is reported as intergovernmental revenues and employee benefits and insurance expenditures in the General Fund as of the measurement date.

**Benefits Provided**

Both the System and MTRS provide retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. The authority for amending these provisions rests with the Massachusetts Legislature.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.



**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

Cost of living adjustments granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth's State law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

**Contributions**

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2022 was \$2,812,709, representing 25.43% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

**Pension Liability**

As of June 30, 2023, the Town reported a liability of \$35,570,892 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2022, the Town's proportional percentage was 3.459%, which was a slight increase from the last measurement.

**Pension Expense**

For the year ended June 30, 2023, the Town recognized a pension expense of \$4,016,295; and reported deferred outflows of resources related to pensions of \$4,744,935 from the net difference between projected and actual investment earnings, the changes in assumptions and the change in allocated proportion; and deferred inflows of resources related to pensions of \$1,419,424 from the net difference between expected and actual experience and the change in allocated proportion.

The Town's net deferred outflows/(inflows) of resources related to pensions will be recognized in the pension expense as follows:

<u>For years ended June 30,</u>		
<b>2024</b>	\$	287,623
<b>2025</b>		725,630
<b>2026</b>		871,821
<b>2027</b>		1,521,708
<b>Thereafter:</b>		<u>(81,271)</u>
	\$	<u><u>3,325,511</u></u>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2022:

Valuation date	January 1, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Payment increases 4.0% per year, except for Early Retirement Incentive (ERI). Programs for 2002 and 2003 (4.5%) and 2010 (level dollar). Increases in annual appropriation are. Limited to 9.95%.
Asset valuation method	Is the market value adjusted to phase-in investment gains and losses Over a 5-year period, further constrained to be within 20% of market: value. Investment gains and losses are the excess or deficiency of the expected returns over the actual returns.
Inflation	2.40% per year
Salary increases	Group 1: 4.25% -- 6.00%, based on service Group 4: 4.75% -- 7.00%, based on service
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2020. For disabled lives, mortality rates were based on the RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2020.

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2022, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	37%	4.74%
Core Fixed income	15%	2.10%
Value-Added Fixed Income	8%	5.20%
Private Equity	16%	7.60%
Real Estate	10%	3.10%
Timber/Natural Resources	4%	4.40%
Portfolio Completion Strategies	10%	3.90%
Total	<u>100%</u>	

**Rate of Return**

For the year ended December 31, 2022, the annual money-weighted rate of return, net of pension plan investment expense, was (11.68%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. 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 that member employer contributions will be made in accordance with Section 22D and Section 22F of MGL Chapter 32. Based on those assumptions, the System's fiduciary 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 of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25%. As well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
Net pension liability	\$ 43,406,072	\$ 35,570,892	\$ 28,946,747

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**F. Other Post-Employment Benefits Payable**

**GASB Statement No. 74 and GASB Statement No. 75**

The cost of post-employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Town recognizes the cost of post-employment benefits in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Town's future cash flows.

**Plan Description**

In addition to providing pension benefits, the Town provides post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. There are approximately 651 active, retired employees and beneficiaries that meet the eligibility requirements. The plan does not issue a separate financial report.

**Investment Policy**

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Select Board by majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy. As of June 30, 2023, investments, concentration and rate of return information consisted of pooled funds in the Pension Reserves Investment Trust (PRIT) Fund created under the supervision of the Pension Reserves Investment Management (PRIM) Board described earlier under Deposits and Investments (refer to note 3A).

**Funding Policy**

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The required contribution is based on the projected pay-as-you-go financing requirements. For the period ending on the June 30, 2023 Measurement Date, the Town premiums plus implicit costs for the retiree medical program were \$1,696,504. The Town also made a contribution to an OPEB Trust of \$300,000 for a total contribution during the measurement period of \$1,996,504. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. The trust balance is \$5,224,838 as of June 30, 2023.

**Measurement Date**

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

**Plan Membership:**

Current active members	404
Current retirees, beneficiaries and dependents	247
Total	<u>651</u>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**Net OPEB Liability**

The components of the net OPEB liability are as follows:

	<b>6/30/2023</b>
Total OPEB liability	37,747,880
Less: Plan fiduciary net position	(5,224,838)
Town's Net OPEB liability	\$ 32,523,042
Plan fiduciary net position as a percentage of the total OPEB liability	13.84%

**Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2023:

Valuation date	Actuarially determined contribution was calculated as of July 1, 2022
Actuarial cost method	Individual Entry Age Normal
Asset valuation method	Market value of assets as of the measurement date.
Investment rate of return	6.30% annually, net of OPEB plan investment expense, Including inflation
Single Equivalent Discount rate	6.26%, net of OPEB plan investment expense, Including inflation
Inflation rate	2.50% as of June 30, 2023 and for future periods
Participant salary increases	3.00% as of June 30, 2023 and for future periods
<b>Mortality rates</b>	
Pre-retirement mortality (General)	RP-2014 Mortality Table for Blue Collar Employees, projected generationally with Scale MP-2016 for males and females, set forward one year for females.
Post-retirement mortality (General)	RP-2014 Mortality Table for Blue Collar Annuitants, projected generationally with Scale MP-2016 for males and females, set forward one year for females.
Disabled mortality (General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants, projected generationally with Scale MP-2016 for males and females, set forward one year.
Pre-retirement mortality (Teachers)	RP-2014 Mortality Table for White Collar Employees, projected generationally with Scale MP-2016 for males and females.
Post-retirement mortality (Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants, projected generationally with Scale MP-2016 for males and females.
Disabled mortality (Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants, projected generationally with Scale MP-2016 for males and females.

The actuarial assumptions used in the July 1, 2022 valuation were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Rate Index (SAPIHG) as of June 30, 2023 is 4.13%.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**Rate of Return**

For the year ended June 30, 2023, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 5.55%.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.26%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be insufficient to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB plan assets is applied to the projected benefit payments which the fiduciary net position is expected to be sufficient to cover until Fiscal year 2089 and the Municipal Bond Rate is applied thereafter.

**Long-term Expected Rate of Return**

The long-term expected rate of return on OPEB plan investments is developed based on the Town's investment policy is summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return *</b>
Domestic Equity - Large Capital	14.50%	4.10%
Domestic Equity - Small/Mid Capital	3.50%	4.55%
International Equity - Developed Market	16.00%	4.64%
International Equity - Emerging Market	6.00%	5.45%
Domestic Fixed Income	20.00%	1.05%
International Fixed Income	3.00%	0.96%
Alternatives	23.00%	5.95%
Real Estate	14.00%	6.25%
Total	<u>100.00%</u>	
I. Real Rate of Return		4.30%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		<u>6.80%</u>
IV. Less: Investment Expense		0.50%
V. Net investment Return (III.-IV.)		<u>6.30%</u>

\* = Mean Geometric Returns based on 2022 Horizon Survey of Capital Market Assumptions.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**Changes in the Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Total OPEB Liability</b>
Balances at June 30, 2022	\$ 49,015,850	\$ 4,651,603	\$ 44,364,247
Service cost	1,216,995	-	1,216,995
Interest on OPEB Liability	3,057,695	-	3,057,695
Changes in benefit terms *	(12,402,566)	-	(12,402,566)
Changes in assumptions **	935,125	-	935,125
Difference between actual and expected experience **	(2,378,715)	-	(2,378,715)
Net investment income	-	273,235	(273,235)
Employer contributions to Trust	-	1,996,504	(1,996,504)
Total benefit payments including implicit cost	(1,696,504)	(1,696,504)	-
Net change in total OPEB liability	<u>(11,267,970)</u>	<u>573,235</u>	<u>(11,841,205)</u>
Balances at June 30, 2023	<u>\$ 37,747,880</u>	<u>\$ 5,224,838</u>	<u>\$ 32,523,042</u>

\* = Recognized immediately

\*\* = Amortized over 6.89 years

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.26%) or 1-percentage-point higher (7.26%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>5.26%</b>	<b>6.26%</b>	<b>7.26%</b>
Town's net OPEB liability	\$ 37,990,846	\$ 32,523,042	\$ 28,085,890

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
	Town's net OPEB liability	\$ 27,519,742	\$ 32,523,042

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**Summary of Significant Accounting Policies**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year, which are reported at cost.

**Expense/(Income), Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense/(income) of (\$11,903,433) and reported deferred outflows of resources related to OPEB of \$3,716,080 from the changes in assumptions; and deferred inflows of resources related to OPEB of \$6,183,394 from the differences between actual and expected experience, changes in assumptions and the net difference between projected and actual investment earnings on OPEB plan investments.

The Town's net deferred outflows/(inflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>For years ended June 30,</u>	
<b>2024</b>	<b>\$ (1,473,897)</b>
<b>2025</b>	<b>(1,507,138)</b>
<b>2026</b>	<b>467,315</b>
<b>2027</b>	<b>368,202</b>
<b>2028</b>	<b>(135,320)</b>
<b>Thereafter:</b>	<b>(186,476)</b>
	<u><u><b>\$ (2,467,314)</b></u></u>

**G. Implementation of New GASB Pronouncements**

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.



**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**H. Future GASB Pronouncements**

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

The GASB issued Statement No. 99, *Omnibus 2023*, clarification on GASB No. 34 Management's Discussion and Analysis; on GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position; requirements related to leases and requirements related to derivative instruments for implementation in fiscal year 2023 and 2024.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB No. 62*, for implementation in fiscal year 2024.

The GASB issued Statement No. 101, *Compensated Absences*, for implementation in fiscal year 2025.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Required Supplementary Information**  
**Pension Plan Schedules**  
**Worcester Regional Retirement System**  
**For the Year Ended June 30, 2023**

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the Town's proportion of the net pension liability and related ratios.

**Schedule of the Town's Proportionate Share of the Net pension Liability:**

<b>Measurement Date</b>	<b>Town's proportion of the net pension liability (asset)</b>	<b>Town's proportionate share of the net pension liability (asset)</b>	<b>Town's covered employee payroll</b>	<b>Net pension liability percentage of covered employee payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
12/31/2022	3.459%	\$ 35,570,892	\$ 11,059,672	321.63%	48.20%
12/31/2021	3.446%	\$ 29,016,674	\$ 11,039,627	262.84%	56.19%
12/31/2020	3.503%	\$ 31,117,235	\$ 11,319,620	274.90%	50.29%
12/31/2019	3.480%	\$ 30,976,459	\$ 11,378,045	272.25%	47.36%
12/31/2018	3.389%	\$ 30,730,253	\$ 10,399,313	295.50%	43.05%
12/31/2017	3.358%	\$ 27,381,868	\$ 10,251,693	267.10%	46.40%
12/31/2016	3.323%	\$ 27,829,488	\$ 10,509,931	264.79%	42.00%
12/31/2015	3.302%	\$ 23,435,617	\$ 9,910,503	236.47%	44.52%
12/31/2014	3.470%	\$ 20,649,958	\$ 9,529,330	216.70%	47.94%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Required Supplementary Information**  
**Pension Plan Schedules**  
**Worcester Regional Retirement System**  
**For the Year Ended June 30, 2023**

The Schedule of the Employer Contributions presents multiyear trend information on the Town's required and actual payments to the pension plan and related ratios.

**Schedule of the Town's Contributions:**

<b>Measurement Date</b>	<b>Actuarially determined contribution</b>	<b>Less: Contributions in relation to the actuarially determined contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Town's covered employee payroll</b>	<b>Contributions percentage of covered employee payroll</b>
12/31/2022	\$ 2,812,709	\$ (2,812,709)	\$ -	\$ 11,059,672	25.43%
12/31/2021	\$ 2,548,279	\$ (2,548,279)	\$ -	\$ 11,039,627	23.08%
12/31/2020	\$ 2,356,175	\$ (2,356,175)	\$ -	\$ 11,319,620	20.81%
12/31/2019	\$ 2,118,897	\$ (2,118,897)	\$ -	\$ 11,378,045	18.62%
12/31/2018	\$ 1,886,814	\$ (1,886,814)	\$ -	\$ 10,399,313	18.14%
12/31/2017	\$ 1,699,113	\$ (1,699,113)	\$ -	\$ 10,251,693	16.57%
12/31/2016	\$ 1,613,924	\$ (1,613,924)	\$ -	\$ 10,509,931	15.36%
12/31/2015	\$ 1,485,299	\$ (1,485,299)	\$ -	\$ 9,910,503	14.99%
12/31/2014	\$ 1,374,384	\$ (1,374,384)	\$ -	\$ 9,529,330	14.42%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post-Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2023**

**Schedule of Changes in the Net OPEB Liability:**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<b>Total OPEB liability</b>				
Service cost	\$ 1,216,995	\$ 1,159,907	\$ 1,302,442	\$ 1,268,794
Interest on OPEB liability	3,057,695	2,897,658	2,540,661	2,397,236
Changes in Benefit terms	(12,402,566)	-	-	-
Changes in Assumptions	935,125	519,381	4,038,357	489,781
Difference between actual and expected experience	(2,378,715)	-	(561,948)	(508,751)
Benefit payments, including refunds of member contributions	(1,696,504)	(1,504,646)	(1,426,585)	(1,346,422)
Net change in total OPEB liability	(11,267,970)	3,072,300	5,892,927	2,300,638
Total OPEB liability-beginning	49,015,850	45,943,550	40,050,623	37,749,985
<b>Total OPEB liability-ending (a)</b>	<u>\$ 37,747,880</u>	<u>\$ 49,015,850</u>	<u>\$ 45,943,550</u>	<u>\$ 40,050,623</u>
<b>Plan fiduciary net position</b>				
Net investment income	\$ 273,235	\$ (181,686)	\$ 1,098,190	\$ 71,059
Employer contributions to Trust	1,996,504	1,504,646	1,426,585	1,896,422
Benefit payments, including refunds of member contributions	(1,696,504)	(1,504,646)	(1,426,585)	(1,346,422)
Net change in plan fiduciary net position	573,235	(181,686)	1,098,190	621,059
Total fiduciary net position-beginning	4,651,603	4,833,289	3,735,099	3,114,040
<b>Total fiduciary net position-ending (b)</b>	<u>\$ 5,224,838</u>	<u>\$ 4,651,603</u>	<u>\$ 4,833,289</u>	<u>\$ 3,735,099</u>
<b>Town's net OPEB liability (a-b)</b>	<u>\$ 32,523,042</u>	<u>\$ 44,364,247</u>	<u>\$ 41,110,261</u>	<u>\$ 36,315,524</u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post-Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2023**

**Schedule of Changes in the Net OPEB Liability:**

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB liability</b>			
Service cost	\$ 1,142,917	\$ 1,764,785	\$ 1,338,062
Interest on OPEB liability	2,511,938	2,495,718	2,246,197
Changes in Benefit terms	668,654	-	-
Changes in Assumptions	(7,776,371)	-	-
Difference between actual and expected experience	(4,861,321)	5,063,864	-
Benefit payments, including refunds of member contributions	(1,262,541)	(1,141,137)	(1,063,163)
Net change in total OPEB liability	(9,576,724)	8,183,230	2,521,096
Total OPEB liability-beginning	<u>47,326,709</u>	<u>39,143,474</u>	<u>36,622,378</u>
<b>Total OPEB liability-ending (a)</b>	<u>\$ 37,749,985</u>	<u>\$ 47,326,704</u>	<u>\$ 39,143,474</u>
<b>Plan fiduciary net position</b>			
Net investment income	\$ 175,450	\$ 203,867	\$ 183,516
Employer contributions to Trust	1,762,541	1,641,132	1,563,163
Benefit payments, including refunds of of member contributions	(1,262,541)	(1,141,137)	(1,063,163)
Net change in plan fiduciary net position	675,450	703,862	683,516
Total fiduciary net position-beginning	<u>2,438,590</u>	<u>1,734,723</u>	<u>1,051,207</u>
<b>Total fiduciary net position-ending (b)</b>	<u>\$ 3,114,040</u>	<u>\$ 2,438,585</u>	<u>\$ 1,734,723</u>
<b>Town's net OPEB liability (a-b)</b>	<u>\$ 34,635,945</u>	<u>\$ 44,888,119</u>	<u>\$ 37,408,751</u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post-Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2023**

**Schedule of Net OPEB Liability:**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Total OPEB liability	\$ 37,747,880	\$ 49,015,850	45,943,550	\$ 40,050,623
Less: Plan fiduciary net position	<u>(5,224,838)</u>	<u>(4,651,603)</u>	<u>(4,833,289)</u>	<u>(3,735,099)</u>
Town's Net OPEB liability	<u>\$ 32,523,042</u>	<u>\$ 44,364,247</u>	<u>\$ 41,110,261</u>	<u>\$ 36,315,524</u>
Plan fiduciary net position as a percentage of the total OPEB liability	13.84%	9.49%	10.52%	9.33%
Town's share of covered employee payroll	\$ 27,936,358	\$ 27,104,799	\$ 26,315,339	\$ 27,498,288
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	116.42%	163.68%	156.22%	132.06%

**Schedule of Contributions:**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarially determined contribution	\$ 2,859,894	\$ 3,382,985	\$ 3,376,740	\$ 3,818,668
Less: Contributions in relation to the actuarially determined contribution	<u>(1,996,504)</u>	<u>(1,504,646)</u>	<u>(1,426,585)</u>	<u>(1,896,422)</u>
Contribution deficiency (excess)	<u>\$ 863,390</u>	<u>\$ 1,878,339</u>	<u>\$ 1,950,155</u>	<u>\$ 1,922,246</u>
Town's share of covered employee payroll	\$ 27,936,358	\$ 27,104,799	\$ 26,315,339	\$ 27,498,288
Contributions percentage of covered-employee payroll	7.15%	5.55%	5.42%	6.90%
Annual money-weighted rate of return net of investment expense	5.55%	-3.76%	29.40%	1.96%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post-Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2023**

**Schedule of Net OPEB Liability:**

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability	\$ 37,749,983	\$ 47,326,709	\$ 39,143,474
Less: Plan fiduciary net position	<u>(3,114,040)</u>	<u>(2,438,590)</u>	<u>(1,734,723)</u>
Town's Net OPEB liability	<u>\$ 34,635,943</u>	<u>\$ 44,888,119</u>	<u>\$ 37,408,751</u>
Plan fiduciary net position as a percentage of the total OPEB liability	8.25%	5.15%	4.43%
Town's share of covered employee payroll	\$ 26,697,367	\$ 24,956,701	\$ 24,956,700
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	129.74%	179.86%	149.89%

**Schedule of Contributions:**

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarially determined contribution	\$ 3,574,860	\$ 4,143,197	\$ 3,775,994
Less: Contributions in relation to the actuarially determined contribution	<u>(1,762,541)</u>	<u>(1,641,132)</u>	<u>(1,563,163)</u>
Contribution deficiency (excess)	<u>\$ 1,812,319</u>	<u>\$ 2,502,065</u>	<u>\$ 2,212,831</u>
Town's share of covered employee payroll	\$ 26,697,367	\$ 24,956,701	\$ 24,956,700
Contributions percentage of covered-employee payroll	6.60%	6.58%	6.26%
Annual money-weighted rate of return net of investment expense	6.24%	4.07%	10.67%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.



**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post-Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2023**

**Schedule of Funding Progress:**

Measurement Date	Other Post Employment Benefits						Actuarial Percentage of Covered Payroll ((B-A)/C)
	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)		
6/30/2023	\$ 5,224,838	\$ 37,747,880	\$ 32,523,042	13.84%	\$ 27,936,358	116.42%	
6/30/2022	\$ 4,651,603	\$ 49,015,850	\$ 44,364,247	9.49%	\$ 27,104,799	163.68%	
6/30/2021	\$ 4,833,289	\$ 45,943,550	\$ 41,110,261	10.52%	\$ 26,315,339	156.22%	
6/30/2020	\$ 3,735,099	\$ 40,050,623	\$ 36,315,524	9.33%	\$ 27,498,288	132.06%	
6/30/2019	\$ 3,114,040	\$ 37,749,985	\$ 34,635,945	8.25%	\$ 26,697,367	129.74%	
6/30/2018	\$ 2,438,590	\$ 47,326,709	\$ 44,888,119	5.15%	\$ 24,956,701	179.86%	
6/30/2017	\$ 1,734,723	\$ 39,143,474	\$ 37,408,751	4.43%	\$ 24,956,700	149.89%	

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**SUPPLEMENTARY SCHEDULE**

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
<b>Special Revenue:</b>					
<b>Federal and State Grants:</b>					
School Grants	\$ 33,531	\$ 450,117	\$ 474,234	\$ -	\$ 9,414
Arts Lottery Council Grant	7,538	13,032	15,570	-	5,000
Board of Health Grants	96,676	462,231	406,923	-	151,984
Community Compact Grant	31,400	-	31,400	-	-
Community Affairs Grant	-	2,500	-	-	2,500
Council on Aging Grants	1,139	48,425	30,934	-	18,630
Dam Removal Grant	40,000	-	40,000	-	-
Emergency Management Grants (COVID)	382,490	137,067	593	-	518,964
Highway Grants	6,112	809,273	775,778	-	39,607
Library Grants	43,384	102,742	32,513	-	113,613
Other Grants and Programs	19,086	49,600	60,006	-	8,680
Public Safety Grants	6,220	200,874	191,728	-	15,366
Recycling Grants	5,446	15,400	18,480	-	2,366
Town Clerk Grant	10,929	4,518	597	-	14,850
<b>Schools:</b>					
School Lunch Program	278,065	959,261	860,556	-	376,770
School Lunch Commodities	-	54,362	54,362	-	-
School Revolving Funds	124,917	146,275	162,377	-	108,815
State Special Education Reimbursement	1,219,176	1,210,825	1,219,176	-	1,210,825
<b>Other:</b>					
Amazon Traffic Mitigation	32,818	-	-	-	32,818
Cable Access Television	429,607	236,358	-	(231,158)	434,807
Community Affairs Revolving	15,850	5,900	7,096	-	14,654
Community Preservation Fund	1,672,130	1,051,460	473,313	163,000	2,413,277
Conservation Revolving	23,912	230	-	(11,309)	12,833
Council on Aging Revolving	146,631	91,974	132,782	-	105,823
<b>Special Revenue Funds Page 77</b>	<b>\$ 4,627,057</b>	<b>\$ 6,052,424</b>	<b>\$ 4,988,418</b>	<b>\$ (79,467)</b>	<b>\$ 5,611,596</b>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
<b>Continued from Page 77</b>	\$ 4,627,057	\$ 6,052,424	\$ 4,988,418	\$ (79,467)	\$ 5,611,596
<b>Other (continued):</b>					
Council on Aging WRTA Program	155,776	88,754	47,824	-	196,706
Deputy Collector Fees	1,047	29,538	29,461	-	1,124
Dog Control Revolving	47,353	30,690	255	(28,000)	49,788
Family Youth Services Revolving	4,253	-	-	-	4,253
Fire Emergency Medical Services	809,885	1,033,314	686,274	(354,487)	802,438
Gifts and Donations	109,594	113,498	95,481	-	127,611
Insurance Reimbursements	85,000	74,469	55,322	-	104,147
Medicare Part D Subsidy	50,734	53,802	-	(50,732)	53,804
Parks and Recreation Revolving	415,217	675,831	560,792	(75,000)	455,256
Planning Board Revolving	211	7	-	-	218
Police Drug Task Force	1,045	14,197	-	-	15,242
Premium on Sale of Bonds	106,469	-	30,107	50,543	126,905
Public Safety Outside Detail Funds	29,696	243,465	247,984	-	25,177
Sale of Cemetery Lots	30,750	8,250	-	(18,500)	20,500
Sale of Land (Reserved)	12,435	-	-	-	12,435
Solid Waste Funds	413,927	586,212	837,423	337,160	499,876
Stanton Foundation Dog Park Grant	-	25,000	-	-	25,000
Tax Title Registry of Deeds Fee	833	1,007	1,680	-	160
Transportation Network Surcharge	4,042	2,982	-	(1,764)	5,260
Veterans Cost of Living	1,501	-	1,501	-	-
Conservation Funds	707,018	17,320	-	-	724,338
Elderly Funds	32,623	33,293	-	-	65,916
Scholarship Funds	282	3,519	3,300	-	501
<b>Total Special Revenue Funds</b>	<b>\$ 7,646,748</b>	<b>\$ 9,087,572</b>	<b>\$ 7,585,822</b>	<b>\$ (220,247)</b>	<b>\$ 8,928,251</b>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
<b>Capital Projects:</b>					
Fire Department ambulance	\$ -	\$ -	\$ 4,350	\$ -	\$ (4,350)
Fire Department vehicles	86,334	-	71,470	(14,864)	-
Highway culvert and drainage improvements	300,000	-	298,500	(1,500)	-
Highway equipment	485,000	-	456,893	-	28,107
Highway generator	35,000	-	-	-	35,000
Highway vehicles	461,903	-	168,403	-	293,500
Highway vehicles	2,500	-	1,341	(1,159)	-
Highway vehicles	-	-	-	505,000	505,000
Management Information System (MIS) network	26,741	-	-	-	26,741
Master Plan (Downtown)	150,000	-	129,671	-	20,329
Middle School green repairs	102,533	-	-	-	102,533
MIS/GIS Aerial Photo	58,726	-	-	-	58,726
Police Station improvements	-	-	-	70,000	70,000
Police vehicles	165,000	-	-	190,000	355,000
Police vehicles	119,881	-	119,881	-	-
Road maintenance	454,000	-	70,648	-	383,352
Road maintenance	316,154	-	125,908	-	190,246
Road maintenance	-	-	-	300,000	300,000
School entrance improvement	-	-	5,300	40,000	34,700
Senior Center construction	35,790	-	35,790	-	-
Town Hall feasibility study	100,000	-	-	-	100,000
Town Offices' improvements	757,605	-	-	-	757,605
<b>Total Capital Projects Fund</b>	<b>\$ 3,657,167</b>	<b>\$ -</b>	<b>\$ 1,488,155</b>	<b>\$ 1,087,477</b>	<b>\$ 3,256,489</b>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
<b>Perpetual Permanent Funds:</b>					
Assabet Park Funds	\$ 7,959	\$ -	\$ -	\$ -	\$ 7,959
Cemetery Funds	639,665	11,550	-	-	651,215
Library Fund	81,509	-	-	-	81,509
Miscellaneous Funds	14,022	-	-	-	14,022
<b>Total Perpetual Permanent Funds</b>	<b>743,155</b>	<b>11,550</b>	<b>-</b>	<b>-</b>	<b>754,705</b>
<b>Permanent Funds:</b>					
Assabet Park Funds	14	227	-	-	241
Cemetery Funds	54	15,863	-	(9,006)	6,911
Library Fund	247,474	45,144	58,153	-	234,465
Miscellaneous Funds	12,598	608	-	-	13,206
<b>Total Permanent Funds</b>	<b>260,140</b>	<b>61,842</b>	<b>58,153</b>	<b>(9,006)</b>	<b>254,823</b>
<b>Total - Non-Major Governmental Funds</b>	<b>\$ 12,307,210</b>	<b>\$ 9,160,964</b>	<b>\$ 9,132,130</b>	<b>\$ 858,224</b>	<b>\$ 13,194,268</b>

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**

**INDEPENDENT AUDITOR'S REPORTS PURSUANT  
TO GOVERNMENT AUDITING STANDARDS  
AND UNIFORM GUIDANCE**

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

**TOWN OF NORTHBOROUGH, MASSACHUSETTS**

**Independent Auditor's Reports Pursuant to  
Government Auditing Standards and  
Uniform Guidance**

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

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

To the Honorable Select Board  
Town of Northborough, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Northborough, Massachusetts, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Northborough, Massachusetts' basic financial statements and have issued our report thereon dated May 10, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Northborough, Massachusetts' 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 of Northborough, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Northborough, Massachusetts' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Town of Northborough, Massachusetts' 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

May 10, 2024

**INDEPENDENT AUDITOR'S 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 Honorable Select Board  
Town of Northborough, Massachusetts

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Town of Northborough, Massachusetts' 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 of Northborough, Massachusetts' major federal programs for the year ended June 30, 2023. The Town of Northborough, Massachusetts' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Northborough, Massachusetts, 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, 2023.

***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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Northborough, Massachusetts, 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 of Northborough, Massachusetts' 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 of Northborough, Massachusetts' federal programs.

***Auditor's 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 of Northborough, Massachusetts' 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 of Northborough, Massachusetts' 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 of Northborough, Massachusetts' 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 of Northborough, Massachusetts' 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 of Northborough, Massachusetts' 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 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 Auditor's 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 of Northborough, Massachusetts, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Northborough, Massachusetts' basic financial statements. We issued our report thereon, dated May 10, 2024, 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 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.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

May 10, 2024

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U. S. Department of Agriculture</b>				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	14-213	\$ -	\$ 22,957
National School Lunch Program	10.555	14-213	-	275,404
Supply Chain Assistance	10.555	14-213	-	51,536
Non-Cash Financial Assistance - Commodities	10.555	14-213	-	54,362
Total Child Nutrition Cluster			-	404,259
<b>Total U. S. Department of Agriculture</b>			-	404,259
<b>U. S. Department of Transportation</b>				
Passed Through Commonwealth of Massachusetts				
Executive Office of Public Safety and Security:				
Municipal Road Safety Program	20.600		-	496
<b>Total U. S. Department of Transportation</b>			-	496
<b>U. S. Department of Treasury</b>				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds	21.027		-	94,490
<b>Total U. S. Department of Treasury</b>			-	94,490
<b>U. S. Department of Education</b>				
Passed Through Commonwealth of Massachusetts				
Department of Elementary and Secondary Education:				
Special Education Cluster:				
Special Education Early Childhood Allocation - 2022	84.173	262-541089-2022-0213	-	2,410
Special Education Early Childhood Allocation - 2023	84.173	262-689591-2023-0213	-	31,511
American Rescue Plan IDEA Early Childhood - 2022	84.173	264-585383-2022-0213	-	3,961
Total Special Education Cluster			-	37,882
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief II - 2022	84.425D	115-528065-2022-0213	-	15,698
Elementary and Secondary School Emergency Relief III - 2022	84.425U	119-585431-2022-0213	-	223,493
Summer Acceleration Academies - 2022	84.425D	121-510744-2022-0213	-	945
High Quality Instructional Materials Network Support - 2023	84.425U	161-757236-2023-0213	-	35,000
Total COVID-19 Education Stabilization Fund			-	275,136
<b>Total U. S. Department of Education</b>			-	313,018
<b>TOTAL PAGE 1 OF 2</b>			\$ -	\$ 812,263

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U. S. Department of Health and Human Services</b>				
Passed Through Commonwealth of Massachusetts				
Department of Public Health:				
Regional Health Contact Tracing	93.354		\$ -	\$ 95,752
Passed Through Bay Path Elder Services, Inc.:				
Title III-B - Senior Transportation	93.044		-	274
<b>Total U. S. Department of Health and Human Services</b>			<u>-</u>	<u>96,026</u>
<b>U. S. Department of Homeland Security</b>				
Direct Program:				
Assistance to Firefighters Grant	97.044		-	109,524
Passed Through Commonwealth of Massachusetts				
Emergency Management Agency:				
Emergency Management Performance Grants	97.042		-	4,600
Passed Through City of Worcester, Massachusetts:				
Homeland Security Public Health	97.067		-	1,590
<b>Total U. S. Department of Homeland Security</b>			<u>-</u>	<u>115,714</u>
<b>TOTAL PAGE 2 OF 2</b>			-	211,740
<b>TOTAL PAGE 1 OF 2</b>			-	812,263
<b>TOTAL PAGE FEDERAL AWARDS EXPENDED</b>			<u>\$ -</u>	<u>\$ 1,024,003</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the Town of Northborough, Massachusetts, under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Town of Northborough, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Northborough, Massachusetts.

**NOTE B – 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 as to reimbursement.

**NOTE C – INDIRECT COSTS**

The Town of Northborough, Massachusetts, did not use the de minimis cost rate.

**NOTE D – FOOD DISTRIBUTION**

The Town of Northborough, Massachusetts, receives non-cash commodities from the U.S. Department of Agriculture as part of the National School Lunch program. The amounts reported as non-cash assistance represent the fair market value of these commodities received during the year.

The amounts reported as cash assistance represent federal reimbursement for meals provided.



**TOWN OF NORTHBOROUGH, MASSACHUSETTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

***Financial Statements***

Type of report the auditor 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 that is (are) not considered to be material weakness(es)?  Yes  None Reported

Noncompliance 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 that is (are) not considered to be material weakness(es)?  Yes  None Reported

Type of Auditor’s Report issued on compliance for major 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>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	U. S. Department of Agriculture – Child Nutrition Cluster
84.425	U. S. Department of Education – Education Stabilization Fund

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

Auditee qualified as low-risk auditee?  Yes  No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV – PRIOR YEAR FINDINGS**

None reported.

## **Agenda Item #9**

Acceptance of a Stanton Foundation  
Grant Award for the Construction Phase  
of the Proposed Dog Park.



# TOWN OF NORTHBOROUGH PLANNING DEPARTMENT

Town Hall Offices • 63 Main Street • Northborough, MA 01532 • 508-393-5040 x7 • 508-393-6996 Fax

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May 31, 2024

Mitch Cohen, Chairman  
Board of Selectmen  
Town Hall Offices  
63 Main Street  
Northborough, MA 01532

Dear Mr. Cohen,

I am happy to report that the Town of Northborough was awarded a Stanton Foundation Grant in the amount of \$250,000 for the purpose of constructing the dog park at 150 Boundary Street. I respectfully request that the Select Board accept these funds and authorize the Planning Department to use them for the purpose stated above.

With the receipt of the Stanton Foundation Grant, the Town will be able to execute a contract with the lowest bidder for the construction project, M.J. Cataldo, Inc. The Town received four bids by the May 9<sup>th</sup> deadline with M.J. Cataldo, Inc. submitting the lowest base bid in the amount of \$585,352.32. For your information, please see the attached table with information about the bids received.

Based on conversations with the contractor, I expect that construction will begin next month and take approximately 6 months to complete. This means that the dog park should be ready for action early in 2025.

Thank you for your attention to this matter. Please let me know if you have any follow-up questions or comments.

Sincerely,

Laurie Connors  
Planning Director

Enclosure

CC: Scott Charpentier, DPW Director  
Jason Little, Finance Director

**INVITATION FOR BIDS  
NORTHBOROUGH DOG PARK**

The Town received 4 proposals from the following firms by the submission deadline of 2:00 PM on Thursday, May 9, 2024.

Laurie Connors, Planning Director

Scott Charpentier, DPW Director

<b>FIRM</b>	<b>DATE/TIME RECEIVED</b>
<p>M.J. Cataldo, Inc. PO Box 1343 Littleton, MA 01460</p> <p><b>\$585,352.32 – Lowest apparent base bid w/o alternates</b></p> <p>TOTAL OF BID WITHOUT alternates (Items 5a-5d): \$585,352.32 TOTAL OF BID WITH DEDUCT ALATERNATE NO.1. (Item 5a): \$583,425.92 TOTAL OF BID WITH DEDUCT ALATERNATE NO.2. (Item 5b): \$584,652.32 TOTAL OF BID WITH ADD ALATERNATE NO. 4. (Item 5d): \$681,504.32 TOTAL OF BID WITH ALATERNATES NO. 1 to 3 (Item 35a, 5b) AND ADD ALATERNATE NO.4. (Item 5d): \$678,877.92</p>	<p>5/9/24 at 1:47 pm</p>
<p>R. Bates &amp; Sons, Inc. 140 Pratts Jct. Road Sterling, MA 01564</p> <p>\$596,000 – Base bid w/o alternates</p> <p>TOTAL OF BID WITHOUT alternates (Items 5a-5d): \$596,000.00 TOTAL OF BID WITH ADD ALATERNATE NO.1. (Item 5a): \$599,440.00 TOTAL OF BID WITH DEDUCT ALATERNATE NO.2. (Item 5b): \$595,225.00 TOTAL OF BID WITH DEDUCT ALATERNATE NO. 4. (Item 5d): \$661,975.00 TOTAL OF BID WITH ALATERNATES NO. 1 to 3 (Item 35a, 5b) AND ADD ALATERNATE NO.4. (Item 5d): \$664,640.00</p>	<p>5/9/24 at 10:46 am</p>

<p>Cassidy Landscaping 21G Olympia Ave #65 Woburn, MA 01801</p> <p>\$596,090.50 – Base bid w/o alternates</p> <p>TOTAL OF BID WITHOUT Alternates (Items 5a-5d): \$596,090.50 TOTAL OF BID WITH DEDUCT ALTERNATE NO. 1. (5a): \$593,510.50 TOTAL OF BID WITH DEDUCT ALTERNATE NO.2. (Item 5b): \$593,590.50 TOTAL OF BID WITH ADD ALTERNATE NO.4. (Item 5d): \$737,465.50 TOTAL OF BID WITH DEDUCT ALTERNATES NO. 1 to 3 (Item 35a, 5b) AND ADD ALTERNATE NO. 4. (Item 5d): \$732,385.50</p>	<p>5/9/24 at 12:58 pm</p>
<p>E.T. &amp; L. Corp 873 Great Road PO Box 295 Stow, MA 01775</p> <p>\$957,877 – Base bid w/o alternates</p> <p>TOTAL OF BID WITHOUT alternates (Items 5a-5d): \$958,221.00 TOTAL OF BID WITH DEDUCT ALTERNATE NO.1. (Item 5a): \$957,877.00 TOTAL OF BID WITH DEDUCT ALTERNATE NO.2. (Item 5b): \$956,221.00 TOTAL OF BID WITH DEDUCT ALTERNATE NO. 4. (Item 5d): \$1,090,171.00 TOTAL OF BID WITH ALTERNATES NO. 1 to 3 (Item 35a, 5b) AND ADD ALTERNATE NO.4. (Item 5d): \$1,087,827.00</p>	<p>5/9/24 at 12:55 pm</p>

## **Agenda Item #10**

Discussion regarding a Process and  
Timeline for ARPA Funding

# Memo

Date: May 31, 2024  
To: Northborough Select Board  
From: Mitch Cohen, Chair  
Subject: ARPA Process and Timeline

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This memo covers Monday's agenda item "Discussion regarding a Process and Timeline for ARPA Funding."

In the packet is an "ARPA Requests" document. This summarizes the 130+ requests I found when reviewing the Board's ARPA Public Input meeting, the community ARPA discussion, emails to the Board's ARPA input address, Tim's March 8th memo, and any other input or requests I could find. I attempted to be completely exhaustive, excluding nothing. This is a summary document, without editorial comment. As a result, the list includes several items already funded or no longer relevant.

Some requests came with backup details. Many came without, as a result of the public input process. That's fine - as part of our work, we can identify items for consideration that require more detail and seek that from the requestor and/or the appropriate department through the Town Administrator.

We may also receive additional input from the public, staff, or ideas of our own. We will add new items to this list, or any subsequent list, as they come in.

Laura and I have discussed a general approach to this process to be proposed Monday. If consensus is reached on that, or any other process, we will continue deliberations at upcoming meetings. This agenda is explicitly "Discussion" so no funding decisions will be made. (The only exception is the "Melican Middle School Courts" request, which has its own agenda item earlier in the meeting.)

Funding decisions must be made *and committed* by December 31, 2024, with actual expenses concluded by December 31, 2026. Unused funds must be sent back to the Federal Government. Funding commitment essentially means executed contracts. Many requests may require a formal bid process, or even separate design/build bid processes, we must begin making decisions very soon. I suggest we commit to approving 100% of funds no later than October 1, 2024, to ensure proper time for any post-approval processes. We should expect final ARPA decisions in December to reappropriate any leftover funds, such as for projects that come in under budget.

See you Monday!

ARPA Requests (May 30, 2024)

Item	Cost	Requestor	Source	Date	Category	Details
Small Biz grants			Trinity event	3/23/2022	Economic Development	Small business grants to keep businesses in town, which ultimately helps keep property taxes down.
Create EDC			Trinity event	3/23/2022	Economic Development	Economic Development Committee formation to kick start other initiatives.
Teen programs			Trinity event	3/23/2022	Economic Development	Teen center to occupy empty store fronts; use funding to purchase recreation items like canoes, snowshoes, sports equipment.
Small biz staffing			Trinity event	3/23/2022	Economic Development	Evaluation of small businesses to assess short- and long-term challenges, staffing issues.
Job search programs			Trinity event	3/23/2022	Economic Development	Job search/job growth programs.
Retail adv/seating			Trinity event	3/23/2022	Economic Development	Help businesses with advertising, marketing, employee training, grants for outdoor seating to motivate customers, retain employees.
Local jobs			Trinity event	3/23/2022	Economic Development	Funding incentive bonuses for those who take jobs with local, independent businesses
Gift cards			Trinity event	3/23/2022	Economic Development	Gift card matching programs
Small biz cost relief			Trinity event	3/23/2022	Economic Development	Rent/Mortgage relief for businesses who are struggling
Small biz planning assistance			Trinity event	3/23/2022	Economic Development	Businesses need help with long term projections based on COVID impacts: inflation, staff shortages, triple increase of cost of goods .
Co-working space			Trinity event	3/23/2022	Economic Development	Co-working space
White Cliffs renovation			Trinity event	3/23/2022	Economic Development	White Cliffs has serious potential to refurbish into possible community center for teens and seniors, artisans, co-office area.
Teen/child mental health			Trinity event	3/23/2022	Acute/Mental Health	Mental health needs in children have increased. In addition to supporting the needs of the kids, provide a support group for parents and caretakers.
FYS Staffing			Trinity event	3/23/2022	Acute/Mental Health	Family Youth Services has 1 full time, 2 part time employees for a town of over 14,000. Northborough has the least amount of people in this department compared to neighboring towns. Funding a short-term grant writer would allow us to obtain funds to support needs.
Be Well initiative extension			Trinity event	3/23/2022	Acute/Mental Health	The Be Well Northborough initiative is spread out over an umbrella to work on bringing the community together.
Caretaker assistance			Trinity event	3/23/2022	Acute/Mental Health	Support group for mental health caretakers
Volunteer group assistance			Trinity event	3/23/2022	Social Services	Support the many volunteer groups and agencies which support the needs of the town.
Food pantry			Trinity event	3/23/2022	Social Services	The food pantry has its highest use rate ever.
Helping Hands			Trinity event	3/23/2022	Social Services	Northborough Helping Hands Association has a high level of requests for medical equipment loans due to elective surgeries all happening at once.
Homeless assistance			Trinity event	3/23/2022	Social Services	There are 8 homeless families with needs.
Benevolent Fund			Trinity event	3/23/2022	Social Services	The Town Benevolent Fund helps families in need and extra funding is important.
Community Meals			Trinity event	3/23/2022	Social Services	Community Meals grab & go funds will be depleted in May. \$620/week for 120-130 meals/week provided.
Activity scholarships			Trinity event	3/23/2022	Social Services	More activity scholarships to participate in activities, sports, camps.
Senior support			Trinity event	3/23/2022	Social Services	Seniors need support to get information and opportunities.
Gift cards to people in need			Trinity event	3/23/2022	Social Services	Purchase gift cards from local businesses to give to families in need.
Senior Center support			Trinity event	3/23/2022	Social Services	Programming needs for Senior Center including memory care unit.
Northborough Rec Dept			Trinity event	3/23/2022	Social Services	Northborough Recreation growth to meet demand of families and children.
Cultural Council			Trinity event	3/23/2022	Social Services	Cultural Council to bring programs and events.
Diversity/Inclusion			Trinity event	3/23/2022	Social Services	Improve Diversity and inclusion efforts
Diversity consultant			Trinity event	3/23/2022	Social Services	Consultant firm to integrate polices for Diversity & Inclusion as recommended by the committee
Sidewalks			Trinity event	3/23/2022	Infrastructure	Increase walkability, especially downtown
EV Chargers			Trinity event	3/23/2022	Infrastructure	
Hybrid/EV police cars			Trinity event	3/23/2022	Infrastructure	
Ventilation			Trinity event	3/23/2022	Infrastructure	Better ventilation of public schools, offices, buildings.
Town Dump			Trinity event	3/23/2022	Infrastructure	
Solar panels/canopies			Trinity event	3/23/2022	Infrastructure	



Item	Cost	Requestor	Source	Date	Category	Details
Street lights			Trinity event	3/23/2022	Infrastructure	
Crosswalk lights			Trinity event	3/23/2022	Infrastructure	
Parking			Trinity event	3/23/2022	Infrastructure	More downtown parking
Community Gardens			Trinity event	3/23/2022	Recreation/Conservation	Community garden to provide fresh produce to food pantry and community.
Downtown improvements			Trinity event	3/23/2022	Recreation/Conservation	Downtown improvements including parking.
Downtown revitalization			Trinity event	3/23/2022	Recreation/Conservation	Master Plan Implementation Plan priority kick start, including beautification of downtown, improved walkability.
Plant trees			Trinity event	3/23/2022	Recreation/Conservation	Plant more trees.
Land purchases for economic development			Trinity event	3/23/2022	Recreation/Conservation	Purchase land to facilitate economic development.
Dog park, trails			Trinity event	3/23/2022	Recreation/Conservation	Dog park, mixed used trails, rail trail.
Lighting			Trinity event	3/23/2022	Recreation/Conservation	Street lights, more crosswalk lights.
BWALT trail connection			Trinity event	3/23/2022	Recreation/Conservation	Connect the BWALT bike/recreation trail through Northborough. The trail is currently being worked on in Westborough ending at the Northborough town line where it becomes a "pencil line" and is then picked up again in other towns such as Boylston and Hudson.
Mini golf			Trinity event	3/23/2022	Recreation/Conservation	
Train station			Trinity event	3/23/2022	Recreation/Conservation	
Fire truck			Trinity event	3/23/2022	Capital Plan	
Highway tight tank			Trinity event	3/23/2022	Capital Plan	
Misc. Education			Trinity event	3/23/2022	Education/Child Development	Address education loss of skills, literacy; and school staffing shortages including nurses, tutors, special educators, teachers.
School arts/music			Trinity event	3/23/2022	Education/Child Development	Funding for arts and music programming at elementary schools.
Supplement fundraising			Trinity event	3/23/2022	Education/Child Development	Northborough Education Foundation and PTOs haven't been able to fundraise as usual to supplement and support programs, assist with needed supplies.
Teen center			Trinity event	3/23/2022	Education/Child Development	
Arts			Trinity event	3/23/2022	Education/Child Development	
FYS Staffing		Sherry Clark	Select Board event	6/16/2022		Change part-time position to full-time
Senior physical activity		Liz Nasser	Select Board event	6/16/2022		Social activity for staying physically active, to avoid dementia
Energy efficiency		Jeanne Cahill	Select Board event	6/16/2022		Greenhouse gas reductions - EV vehicles, solar panels, Fire Station geothermal, heat pumps for existing buildings, charging stations
Econ. Dev. Committee		Marile Borden	Select Board event	6/16/2022		Small local businesses would really benefit from having a Town Economic Development Committee. Such a Committee could also be helpful in determining what types of businesses would benefit the Town.
Downtown revitalization		Marile Borden	Select Board event	6/16/2022		The downtown revitalization project will help attract people to our Town to enjoy and benefit the Town's small businesses
Downtown revitalization		Karen Chapman	Select Board event	6/16/2022		Downtown revitalization efforts provide a great opportunity to support the small business community
MPIIC/Downtown revitalization		Kerri Martinek	Select Board event	6/16/2022		Kick starter fund to allow for the Master Plan Implementation Committee to begin making small improvements without having to go through a long process for funding opportunities. For example, conduct an analysis of downtown traffic flow, look at alternate routes, overhaul streets lamps, bury electric lines, connect downtown sidewalks, and general beautification plantings.
Town Meeting clickers		Kerri Martinek	Select Board event	6/16/2022		
Community Meals		Martha Michalewich	Select Board event	6/16/2022		
Senior Center support		Gib Chase	Select Board event	6/16/2022		Maximize the use of the Senior Center, including hiring help to bring back programs for dementia, the Tuesday Night Bistro and help at the front desk.
Road improvements/maintenance		Gib Chase	Select Board event	6/16/2022		
Affordable housing		Gib Chase	Select Board event	6/16/2022		Affordable housing is needed for those living on fixed incomes who were struggling with inflation even before the pandemic
Historical Society	\$37,000	Rick Ferenchick	Select Board event	6/16/2022		Loss of revenue due to pandemic (building rental and donations) (letter received 9/22/2022)
Historical Society building	\$75,000	Rick Ferenchick	Select Board event	6/16/2022		Archive building renovation/expansion (letter/quote received 9/22/2022)

Item	Cost	Requestor	Source	Date	Category	Details
Downtown signage, outdoor seating		Alexis Vallejos	Select Board event	6/16/2022		Brilla Coffee owner
Teen center		Erica Zeiger	Select Board event	6/16/2022		a teen empowerment center be located in a central location with walkability for ages ranging anywhere from 12 – 21. The center could provide sports and physical activities, a resume writing program, homework help, general mental health counseling, and financial management. She stressed that the physical activity aspect is important.
FYS Staffing		Joan Clementi	Select Board event	6/16/2022		Family & Youth Services Department full-time position and to support programming that could prevent some mental health issues from happening in the first place
Community Center		Bryce MacNight	Select Board event	6/16/2022		Requested that a community culture and arts center for both group programs and physical activities be housed in one of the vacant town- owned properties, such as the existing Fire Station which is located downtown and could provide for walkability opportunities.
Solar panels/canopies		Bill Pierce	Select Board event	6/16/2022		It is important to look at addressing these needs in the long-term. For example, a \$1.5M to \$2M investment in solar panels could potentially create \$250,000 - \$300,000 in savings, which could then be used to fund these community programs on a long-term basis.
Historical Society building		Mike Duchesneau	Select Board event	6/16/2022		
Long-term planning		George Brenckle	Select Board event	6/16/2022		Stated that the expressed needs and ideas should be incorporated into the Town's priorities as a whole for the long-term and not separate for things that may not be sustainable.
Mental Health		Susan Sartori	Select Board event	6/16/2022		
Food insecurity		Susan Sartori	Select Board event	6/16/2022		
Capital purchases		Susan Sartori	Select Board event	6/16/2022		
FYS Staffing		Sandra Scott	Select Board event	6/16/2022		Reiterated the need to change the part-time position in the Family & Youth Services to full-time, especially with the increased need to address social services and mental health.
Proctor Roof		Kelly Guenette	Select Board event	6/16/2022		
Fire truck		Dan Martins	Select Board event	6/16/2022		
Traffic (Rt 20/Lincoln St)		Danielle Williams	Select Board event	6/16/2022		Improvements to the intersection of Rt. 20 and Lincoln Street, which has been a safety concern for many years. It is extremely busy with traffic both automotive and pedestrian and bisects the neighborhoods feeding both Lincoln Street Elementary and Melican Middle schools with their ~750 combined students.
FYS Staffing		J Clamenti	Email	6/4/2022		
FYS Staffing		Jane O'Toole	Email	6/7/2022		
FYS Staffing		Liz Nolan	Email	6/7/2022		
Cable - record more mtgs		Liz Nolan	Email	6/7/2022		
Scholarship fund		Liz Nolan	Email	6/7/2022		
Bartlett Pond cleanup		Damon Amato	Email	6/8/2022		
White Cliffs renovation		Damon Amato	Email	6/8/2022		
Downtown revitalization		Damon Amato	Email	6/8/2022		4 West Main - This building would be much better off as retail spaces on the first floor, and residential on each floor above it.
School track/field		Robert Entwistle	Email	6/13/2022		
Elsworth-McAfee bike path		Robert Entwistle	Email	6/13/2022		Lay a bike (and active walking) path around the whole outer perimeter of Elsworth McAfee Park. Many adults, children and families with their children are not allowed to ride their bikes (tricycle, roller blade, etc.) around the walking path that is now present.
CCTV at public parks		Mike Tietjen	Email	6/16/2022		
Traffic (Rt 20/Lincoln St)		Mike Tietjen	Email	6/16/2022		
Weekly recycling pickup		Mike Tietjen	Email	6/16/2022		
Land purchases for open space		Mike Tietjen	Email	6/16/2022		
Expand water/sewer lines		Mike Tietjen	Email	6/16/2022		
AED's		Jake Ruzskoski	Email	6/16/2022		AEDs at various sites under the purview of the Board of Health including all semi-public swimming pools within the jurisdiction of the board of health, access to an outdoor AED (automated external defibrillator) at all public school ball fields, parks, playgrounds etc.
FYS Staffing		Gily Schneider-Nachum	Email	6/16/2022		
Solar panels/canopies		Sarah Rothery	Email	6/18/2022		Add solar panels to the "to be built" Proctor new roof




# **Agenda Item #11**

Ratification of Annual Memorandum of Understanding with Northborough Extended Day Program (NEDP) for use of Facilities Space



## MEMORANDUM

TO: Select Board

FROM: Assistant Town Administrator 

SUBJECT: Northborough Extended Day Program, Inc.

DATE: May 31, 2024

CC: Finance Director

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Enclosed please find the updated FY2025 annual Memorandum of Understanding (MOU) between the Town and Northborough Extended Day Program, Inc.

This agreement has been in place in some form for more than 30 years. The MOU reflects costs associated with the use of office space at Town Hall. The annual fee has been decreased by \$7,000 to reflect the elimination of a shared 6 hour/week administrative position that is no longer in place as a result of the reorganization of the Family & Youth Services Department.

The Board will be asked to approve the updated MOU at the June 17<sup>th</sup> meeting.

## MEMORANDUM OF UNDERSTANDING

2024-2025

This agreement entered into on \_\_\_\_\_ is between the Town of Northborough, a municipality with a principal place of business at Town Hall, 63 Main Street, Northborough, MA (herein referred to as "Town"), and Northborough Extended Day Program, Inc., a non-profit 501(c)(3) corporation with a principal place of business at Town Hall, 63 Main Street, Northborough, MA (herein referred to as "NEDP, Inc.>").

### I. Use of Facilities

The Town of Northborough will continue to provide the use of the office space and facilities on the top floor of Town Hall for the management and administrative functions related to the programs funded by NEDP, Inc. as well as affiliated utilities (exclusive of telephones), and parking.

The Town will continue to make available to NEDP, Inc. the storage space in part of the prior food pantry area. NEDP, Inc. will continue to furnish the necessary equipment needed to facilitate its programming.

Northborough Extended Day Program, Inc. (NEDP, Inc.) will continue to make a financial contribution to the Town of Northborough in the amount of \$20,000.00 to recognize the cost to the Town for providing the preceding and the following services and use of the Town facilities:

- Continued Information Technology support, internet use and web page hosting.
- This amount shall be paid 50% by December 31, 2024 and 50% by June 1, 2025.

### II. Division of Authority and Responsibility of NEDP, Inc. Board and Town Administrator of Northborough

#### a. NEDP, Inc. Board

The Board shall retain all authority placed in it as per the NEDP, Inc. Bylaws. The Board shall have sole responsibility in matters relating to the operation of NEDP, Inc. including fiscal and personnel functions.

The Designated Representative of the Board shall be its duly elected President. The President shall represent the Board in all matters pertaining to the functions, fiscal and personnel management and funding procurement.

#### b. Town Administrator of Northborough

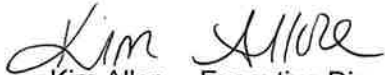
The Town Administrator will agree to contract to NEDP, Inc. the required services as per the terms of this agreement.

III. Liability

NEDP, Inc. will continue to provide its own liability insurance for NEDP, Inc. staff and NEDP, Inc. Board in an amount and manner acceptable to the Town. The Town shall be named as an additional insured.

IV. Duration

This Memorandum of Understanding shall be effective July 1, 2024 through June 30, 2025.



Kim Allore - Executive Director, NEDP, Inc.

~~President, NEDP, Inc.~~

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Town Administrator  
Town of Northborough

# **Agenda Item #13**

Execution of Cemetery Deed



Know All Men By These Presents  
That the  
Town of Northborough

A body corporate and politic situated in the County of Worcester and Commonwealth of Massachusetts, for and in consideration of Five Hundred Dollars for burial plot and Seven Hundred Dollars for perpetual care, a total of One Thousand Two Hundred Dollars to be paid by \_\_\_\_\_ of \_\_\_\_\_, the receipt whereof is hereby acknowledged, does hereby sell and convey unto the said \_\_\_\_\_ and/or his/her heirs, executors, administrators and assigns (subject to all limitations upon succession and transfer prescribed by the laws of the Commonwealth and regulations of the Board of Cemetery Commissioners of the Town of Northborough as now or hereafter in force), the sole and exclusive right of burial in the lots in the **Northborough Cemetery**, in said Town of Northborough, shown and numbered as Grave(s) 1087 & 1088, Section 5N upon a plan on file in the office of the Board of Cemetery Commissioners, together with the right of erecting a tomb, cenotaph, monument or other structure upon such lot, subject to the following restrictions:

Upright Marker

However the aforementioned right shall be held and exercised in all instances in accordance with the subject to the regulations of said Cemetery Commissioners as now or hereafter in force, to which said regulations the attention of the grantee is hereby specifically directed.

To Have and to Hold, the above granted premises unto the said Grantee and/or his/her heirs, executors, administrators and assigns forever; subject, however, to the limitations and conditions hereinbefore stated.

In Witness Whereof the said Town of Northborough has caused these presents to be signed in the corporate name of said Town by the Select Board, and the corporate seal of the Town to be affixed thereto, this 3rd day of June, 2024.



INHABITANTS OF THE TOWN OF NORTHBOROUGH

*Northborough Select Board*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Recorded: \_\_\_\_\_

\_\_\_\_\_  
Town Clerk