

S&P Global Ratings: \_\_\_\_ (Bonds)  
\_\_\_\_ (Notes)

**NOTICES OF SALE AND PRELIMINARY OFFICIAL STATEMENT DATED MARCH 26, 2025**

In the opinion of Troutman Pepper Locke LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (“the Code”). Interest on the Bonds and the Notes will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Bonds and Notes will be included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under existing law, interest on the Bonds and the Notes is exempt from Massachusetts personal income taxes, and the Bonds and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on the Bonds or the Notes. The Bonds and the Notes will **NOT** be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. See “**TAX EXEMPTION**” herein.

**TOWN OF CHARLTON, MASSACHUSETTS**

**\$3,800,000\***

**General Obligation Fire Station Bonds**

**\$14,199,000**

**General Obligation Bond Anticipation Notes**

**Bonds Dated: April 16, 2025**

**Due: May 1, 2026-2054**

**Bond Anticipation Notes Dated: April 16, 2025**

**Due: April 16, 2026**

Principal of the Bonds will be payable May 1 of the years in which the Bonds mature as shown on the inside cover hereof. Interest from the date of the Bonds will be payable on November 1, 2025 and semi-annually thereafter on each May 1 and November 1 until final maturity or redemption prior to maturity. The Bonds will be subject to redemption prior to their stated dates of maturity as described herein. The Bonds are issuable only in fully registered form without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. (See “Book-Entry Transfer System” herein.)

The Notes are offered without the option of prior redemption. The principal of and interest on the Notes are payable at their maturity in federal reserve funds by U.S. Bank Trust Company, National Association, in Boston, Massachusetts, or its successor as Paying Agent.

The legality of the Bonds and the Notes will be approved by Troutman Pepper Locke LLP, Boston, Massachusetts, Bond Counsel to the Town. UniBank Fiscal Advisory Services, Inc., Whitinsville, Massachusetts serves as Municipal Advisor to the Town. It is expected that the Bonds and the Notes, in definitive form, will be delivered to DTC, or the offices of its custodial agent, on or about April 16, 2025.

**ELECTRONIC BIDS RECEIVED (EMAIL BIDS ALLOWED FOR NOTES)**

**11:00 a.m. (Eastern Daylight Saving Time)  
Wednesday, April 2, 2025**

*\*Preliminary; subject to change.*



## MATURITIES, RATES, AND PRICES/YIELDS

**\$3,800,000\***

### General Obligation Fire Station Bonds

<u>Due</u> <u>May 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price/</u> <u>Yield</u>	<u>CUSIP</u> <u>161123</u>	<u>Due</u> <u>May 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price/</u> <u>Yield</u>	<u>CUSIP</u> <u>161123</u>
2026	\$135,000				2041	\$130,000			
2027	135,000				2042	130,000			
2028	135,000				2043	130,000			
2029	135,000				2044	130,000			
2030	135,000				2045	130,000			
2031	135,000				2046	130,000			
2032	130,000				2047	130,000			
2033	130,000				2048	130,000			
2034	130,000				2049	130,000			
2035	130,000				2050	130,000			
2036	130,000				2051	130,000			
2037	130,000				2052	130,000			
2038	130,000				2053	130,000			
2039	130,000				2054	130,000			
2040	130,000								

*\* Preliminary; subject to change.*

**\$14,199,000**

### General Obligation Bond Anticipation Notes

Dated: April 16, 2025

Due: April 16, 2026

CUSIP 161123\_\_\_\_\_

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The information and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

## **ISSUE SUMMARY STATEMENT – BONDS**

Issuer:	Town of Charlton, Massachusetts
Date of Sale:	Wednesday, April 2, 2025 at 11:00 a.m. (Eastern Daylight Savings Time)
Method of Sale:	Electronic Bids via Parity
Minimum Bid:	101.375 percent of par (\$3,852,250.00) plus accrued interest, if any, to the date of delivery.
Location of Sale:	UniBank Fiscal Advisory Services, Inc., 49 Church St., Whitinsville, MA
Issue:	\$3,800,000* General Obligation Fire Station Bonds
Purpose:	Financing a portion of a new Fire Substation. “See <b><u>AUTHORIZATION AND USE OF PROCEEDS</u></b> herein.)
Dated Date of Bonds:	April 16, 2025
Maturity Date of Bonds:	Serially on March 1, 2026 – 2054, as detailed herein.
Redemption:	The Bonds are subject to redemption prior to their stated dates of maturity as described herein.
Credit Rating:	S&P Global Ratings rating: ____ (See “ <b><u>RATINGS</u></b> ” herein).
Security:	The Bonds are valid general obligations of the Town of Charlton, Massachusetts and the principal of and interest on the Bonds are payable from taxes which may be levied upon all property within the territorial limits of the Town and taxable by it, subject to the limitations imposed by Chapter 59, Section 21C of the General Laws.
Basis of Award:	Lowest true interest cost (TIC) as of the dated date.
Tax Exemption:	Refer to “Tax Exemption” and Appendix C – “Proposed Form of Legal Opinion” herein.
Continuing Disclosure:	Refer to “Continuing Disclosure” and Appendix D – “Proposed Form of Continuing Disclosure Certificate” herein.
Bank Qualification:	The Bonds will <b><u>NOT</u></b> be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Paying Agent:	U.S. Bank Trust Company, National Association, Boston, Massachusetts, or its successor.
Legal Opinion:	Troutman Pepper Locke LLP, Boston, Massachusetts.
Delivery and Payment:	It is expected that the Bonds will be delivered to DTC, or the offices of its custodial agent, against payment to the account of the Town in federal reserve funds on or about April 16, 2025.

*\*Preliminary; subject to change*

Issue Contacts: Virginia Porter, Treasurer/Collector, Town of Charlton, Massachusetts  
Telephone (508) 248-2239  
David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc.,  
Whitinsville, MA  
Telephone (508) 849-4222  
Richard A. Manley, Jr., Esq., Troutman Pepper Locke LLP, Boston, MA  
Telephone (617) 239-0384

Additional Information: Refer to the Preliminary Official Statement dated March 26, 2025.

## NOTICE OF SALE

### TOWN OF CHARLTON Massachusetts

**\$3,800,000\***

### GENERAL OBLIGATION FIRE STATION BONDS

The Town of Charlton, Massachusetts, will receive electronic proposals until 11:00 a.m. (Eastern Daylight Savings Time), on

**Wednesday, April 2, 2025**

at UniBank Fiscal Advisory Services, Inc., Whitinsville, Massachusetts, for the purchase of the following described Bonds:

**\$3,800,000\***    **GENERAL OBLIGATION FIRE STATION BONDS**, (the “Bonds”), payable May 1 of the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2026	\$135,000	2041	\$130,000
2027	135,000	2042	130,000
2028	135,000	2043	130,000
2029	135,000	2044	130,000
2030	135,000	2045	130,000
2031	135,000	2046	130,000
2032	130,000	2047	130,000
2033	130,000	2048	130,000
2034	130,000	2049	130,000
2035	130,000	2050	130,000
2036	130,000	2051	130,000
2037	130,000	2052	130,000
2038	130,000	2053	130,000
2039	130,000	2054	130,000
2040	130,000		

*\*Preliminary; subject to change.*

#### Details of the Bonds

The Bonds will be dated April 16, 2025. Interest from the date of the Bonds will be payable on November 1, 2025 and semi-annually thereafter on each May 1 and November 1 until the final maturity or redemption prior to maturity. Principal of and interest on the Bonds will be paid as described below. The Bonds are subject to redemption prior to their stated dates of maturity as described herein.

The Bonds will be issued by means of a book-entry system with no physical distribution of the Bonds made to the public. One certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York, (DTC), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership affected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bonds with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfer of principal

and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the Town nor the Paying Agent will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The Bonds will **NOT** be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### **Redemption of the Bonds**

The Bonds are subject to redemption, at the option of the Town, upon the terms and conditions set forth in the Town's Preliminary Official Statement dated March 26, 2025, prepared in connection with the issuance of the Bonds.

### **Term Bonds**

For Bonds maturing on and after May 1, 2034, bidders may specify that all of the principal amount of such Bonds having any two or more consecutive maturities may, in lieu of having separate maturity dates be combined to comprise one or more term bonds, and shall be subject to mandatory redemption or mature at par as described above, in each of the years and in the principal amounts specified in the foregoing maturity schedule (which is subject to change as described herein). Each mandatory redemption shall be allocated to the payment of the term bond having the earliest subsequent maturity date.

Any term bond, if any, shall be subject to mandatory redemption on May 1 in the year or years immediately prior to the stated maturity of such term bond (the particular Bonds of such maturity to be redeemed to be selected by lot), as indicated in the foregoing maturity schedule at the principal amount thereof (which is subject to change as described herein) plus accrued interest to the redemption date, without premium.

### **Form of Bid and Basis of Award**

Bids must be submitted electronically through *i-Deal*<sup>®</sup>. If any provisions in this Notice of Sale conflict with information provided by *i-Deal*<sup>®</sup>, this Notice of Sale shall control. Further information about *i-Deal*<sup>®</sup>, including any fees charged, may be obtained from *i-Deal*<sup>®</sup> at (212) 849-5000. The Town assumes no responsibility or liability for bids submitted through *i-Deal*<sup>®</sup>. An electronic bid made in accordance with this Notice of Sale shall be deemed an irrevocable offer to purchase the Bonds in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town. A good faith deposit is not required.

Bidders shall state the rate or rates of interest per annum which the Bonds are to bear in a multiple of 1/8th or 1/20th of 1% but shall not state (a) more than one interest rate for any Bonds having a like maturity, and (b) any interest rate which exceeds the interest rate stated for any other Bonds by more than 3%. **No bid of less than 101.375 percent of par (\$3,852,250.00) and accrued interest to date of delivery, if any, will be considered.**

As between proposals which comply with this Notice of Sale, the award will be to the bidder who offers to purchase all the Bonds at the lowest net effective interest rate to the Town. Such interest rate shall be determined on a true interest cost (TIC) basis, which shall mean that rate which, as of April 16, 2025 discounts semi-annually all future payments on account of principal and interest to the price bid, not including interest accrued to the date of delivery, which accrued interest shall be paid by the successful bidder. In the event that two or more bidders submit the same lowest true interest cost for the Bonds, the Town Treasurer shall determine the winning bidder by lot from among such proposals. The award of the Bonds to the winning bidder will not be effective until the bid has been approved by the Treasurer and the Select Board of the Town.

### **Bond Insurance**

The Town has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for the issuance of any such policy or commitment therefore, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment. Any failure of the Bonds to be so insured or of any such policy or commitment to be issued shall not in

any way relieve the purchaser of the contractual obligations arising from the acceptance of a proposal for the purchase of the Bonds. Should the successful bidder purchase municipal bond insurance, all expenses associated with such policy or commitment will be borne by the bidder, except for the fee paid to S&P Global Ratings for the rating on the Bonds. Any such fee paid to S&P Global Ratings would be borne by the Town.

### **Adjustments of Par Amount**

The Town reserves the right to adjust the aggregate par amount of the Bonds, as well as the par amounts of individual maturities of the Bonds. The purpose of such adjustment will be to limit the amount of Bond proceeds, including premium, to approximately the amount needed for the repayment of a portion of the principal of maturing bond anticipation notes, for new money for capital projects, and for costs of issuance.

Any adjustment in either the aggregate principal amount or the individual maturities of the Bonds will be in an amount of \$5,000 or an integral multiple thereof. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustment in the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per-bond underwriter's discount as calculated from the bid and reoffering prices required to be delivered to the Town as stated herein. The successful bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices as a result of any changes made to the principal amounts within these limits.

Immediately following the opening of the bids, the Town, acting through its Municipal Advisor, will contact the apparent successful bidder to obtain the initial "production sheet" in order to determine reoffering prices, bond insurance premium, if any, and other such information. Upon being supplied with the initial "production sheet", the Town will determine the need to reduce the principal amount of the Bonds or otherwise re-allocate the principal maturities of the Bonds. The Town expects to advise the successful bidder as soon as possible, but no later than 4:00 p.m., Eastern Daylight Savings Time, on the date of the sale of the amount, if any, of any changes in either the aggregate principal amount (which changes will be allocated among several maturities of the Bonds in a manner to be specified by the Town) or individual maturities (assuming no changes in the aggregate principal amount of the Bonds).

Bidders should be advised that the amount of the reduction in the principal amount of the Bonds will be related to the amount of the premium bid on the Bonds.

### **Establishment of Issue Price**

The successful bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town on the Closing Date an "issue price" or similar certificate, in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering prices to the public or the sales price of the Bonds together with the supporting pricing wires or equivalent communications, or, if applicable, the amount bid, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Town and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Town by UniBank Fiscal Advisory Services, Inc. (the "Municipal Advisor") and any notice or report to be provided to the Town may be provided to the Municipal Advisor.

Competitive Sale Requirements. If the competitive sale requirements ("competitive sale requirements") set forth in Treasury Regulation § 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) have been satisfied, the Town will furnish to the successful bidder on the Closing Date a certificate of the Municipal Advisor, which will certify each of the following conditions to be true:

1. the Town has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders had an equal opportunity to bid;
3. the Town received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and



4. the Town awarded the sale of the Bonds to the bidder who submitted a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

**Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Unless a bidder notifies the Town prior to submitting its bid by email to the Municipal Advisor [david.eisenthal@unibank.com] or in its bid submitted via Parity, that it will not be an “underwriter” (as defined below) of the Bonds, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds. Unless the bidder has notified the Town that it will not be an “underwriter” (as defined below) of the Bonds, in submitting a bid, each bidder is deemed to acknowledge that it is an “underwriter” that intends to reoffer the Bonds to the public.**

In the event that the competitive sale requirements are not satisfied, the Town shall so advise the successful bidder.

Failure to Meet the Competitive Sale Requirements – Option A – The Successful Bidder Intends to Reoffer the Bonds to the Public and the 10% Test to Apply. If the competitive sale requirements are not satisfied and the successful bidder intends to reoffer the Bonds to the public, the successful bidder, at its option, may use the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis, of the Bonds. The successful bidder shall advise the Municipal Advisor if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Town will not require bidders to comply with the “hold-the-offering-price rule” set forth in the applicable Treasury Regulations and therefore does not intend to use the initial offering price to the public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, if the competitive sale requirements are not met.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds or all of the Bonds are sold to the public, the successful bidder agrees to promptly report to the Municipal Advisor the prices at which the unsold Bonds of each maturity have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied for each maturity of the Bonds or until all the Bonds of a maturity have been sold. The successful bidder shall be obligated to report each sale of Bonds to the Municipal Advisor until notified in writing by the Town or the Municipal Advisor that it no longer needs to do so.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. “public” means any person other than an underwriter or a related party,
2. “underwriter” means (A) any person, including the successful bidder, that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person

described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public), and

3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Failure to Meet the Competitive Sale Requirements – Option B – The Successful Bidder Intends to Reoffer the Bonds to the Public and Agrees to Hold the Price of Maturities of Bonds for Which the 10% Test in Option A Is Not Met as of the Sale Date. The successful bidder may, at its option, notify the Municipal Advisor in writing, which may be by email (the “Hold the Price Notice”), not later than 4:00 p.m. on the Sale Date, that it has not sold 10% of the maturities of the Bonds listed in the Hold the Price Notice (the “Unsold Maturities”) and that the successful bidder will not offer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the successful bidder has sold at least 10% of the applicable Unsold Maturity to the public at a price that is no higher than the initial offering price to the public. If the successful bidder delivers a Hold the Price Notice to the Municipal Advisor, the successful bidder must provide to the Issuer on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Bonds, including underwriters in an underwriting syndicate or selling group, has agreed in writing to hold the price of the Unsold Maturities in the manner described in the preceding sentence.

Failure to Meet the Competitive Sale Requirements and/or the Successful Bidder Does Not Intend to Reoffer the Bonds to the Public – Option C. If the successful bidder has purchased the Bonds for its own account and will not distribute or resell the Bonds to the public, then, whether or not the competitive sale requirements were met, the reoffering price certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

## **Legal Opinion**

The legality of the Bonds will be approved by Troutman Pepper Locke LLP, Boston, Massachusetts, whose opinion will be furnished to the original purchaser without charge. See “Opinion of Bond Counsel” in the Official Statement.

The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of any statements made in the Official Statement other than matters expressly set forth as their opinion and they make no representation that they have independently verified the same.

## **Documents to be Delivered at Closing**

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that it shall be furnished, without cost, with (a) the approving opinion of the firm of Troutman Pepper Locke LLP, Boston, Massachusetts, substantially in the form presented in Appendix C to the Preliminary Official Statement dated March 26, 2025; (b) a certificate in form satisfactory to said firm dated as of the date of delivery of the Bonds and receipt of payment therefor to the effect that there is no litigation pending or, to the knowledge of the signers thereof, threatened affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, (c) a certificate of the Town Treasurer to the effect that, to the best of her knowledge and belief as of the date of sale, the Preliminary Official Statement and as of the date of delivery of the Bonds, the Final Official Statement referred to below, do not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (d) a Continuing Disclosure Certificate in the form described in the Preliminary Official Statement.

## **CUSIP Identification Numbers**

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond, nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The Town assumes no responsibility for any CUSIP Service Bureau or other charge that may be imposed for the assignment of such numbers.

## **Continuing Disclosure**

In order to assist bidders in complying with Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, the Town will undertake to provide annual reports and notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

## **Delivery**

The Bonds, in definitive form, will be delivered to the purchaser at DTC, or the offices of its custodial agent, on or about April 16, 2025 against payment in federal reserve funds.

## **Additional Information and Copies of the Official Statement**

Additional information concerning the Town and the Bonds is contained in the Preliminary Official Statement dated March 26, 2025, to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. Such Preliminary Official Statement is deemed final by the Town except for the omission of the reoffering prices, interest rates and any other items of the Bonds depending on such matters and the identity of the underwriters. Copies of the Preliminary Official Statement and a suggested form of proposal for the Bonds may be obtained from David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc., 49 Church St., Whitinsville, Massachusetts, telephone (508) 849-4222. Within seven (7) business days following award of the Bonds in accordance herewith, up to 10 copies of a Final Official Statement will be furnished to the successful bidder. Additional copies may be obtained at the purchaser's expense.

The right is reserved to reject any or all bids and to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any proposal.

**TOWN OF CHARLTON  
Massachusetts**

/s/ Virginia Porter  
Treasurer/Collector

Dated: March 26, 2025

## EXHIBIT 1

### [Issue Price Certificate for Use If the Competitive Sale Requirements Are Met]

**\$3,800,000\***

### **TOWN OF CHARLTON, MASSACHUSETTS GENERAL OBLIGATION FIRE STATION BONDS Dated April 16, 2025**

#### **ISSUE PRICE CERTIFICATE AND RECEIPT**

The undersigned, on behalf of [NAME OF SUCCESSFUL BIDDER] (the “Successful Bidder”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of the Town of Charlton, Massachusetts (the “Issuer”).

#### **1. Reasonably Expected Initial Offering Prices.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Successful Bidder are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Successful Bidder in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Bonds.

(b) The Successful Bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Successful Bidder constituted a firm offer to purchase the Bonds.

#### **2. Defined Terms.**

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Successful Bidder or a related party to an Successful Bidder. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April 2, 2025.

(d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead Successful Bidder to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

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\* Preliminary, subject to change.

### 3. **Receipt**

The Successful Bidder hereby acknowledges receipt from the Issuer of the bonds of the Issue and further acknowledges receipt of all certificates, opinion, and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of such bonds of the Issue, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate is limited to factual matters only. Nothing in this certificate represents the Successful Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Troutman Pepper Locke LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_, 2025

[SUCCESSFUL BIDDER]

By: \_\_\_\_\_

Name:

Title:

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SCHEDULE A – Expected Reoffering Prices (to be attached)

SCHEDULE B – Copy of Successful Bidder's Bid (to be attached)

**[Issue Price Certificate for Use If the Competitive Sale Requirements Are  
Not Met and the 10% Test is Used]**

**\$3,800,000\***  
**TOWN OF CHARLTON, MASSACHUSETTS**  
**GENERAL OBLIGATION FIRE STATION BONDS**  
**Dated April 16, 2025**

**ISSUE PRICE CERTIFICATE AND RECEIPT**

The undersigned, on behalf of \_\_\_\_\_ (the “Successful Bidder”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Sale of the Bonds. As of the date of this certificate, [except as set forth in paragraph 2 below,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% test has not been met or all of the Bonds have not been sold for one or more Maturities of Bonds as of the Closing Date.]

For each Maturity of the Bonds as to which no price is listed in Schedule A, as set forth in the Notice of Sale for the Bonds, until the 10% test has been satisfied as to each Maturity of the Bonds or all of the Bonds are sold to the Public, the Successful Bidder agrees to promptly report to the Town of Charlton’s Municipal Advisor, UniBank Fiscal Advisory Services, Inc. (the “Municipal Advisor”) the prices at which the unsold Bonds of each Maturity have been sold to the Public, which reporting obligation shall continue after the date hereof until the 10% test has been satisfied for each Maturity of the Bonds or until all the Bonds of a Maturity have been sold. The Successful Bidder shall continue to report each sale of Bonds to the Municipal Advisor until notified by email or in writing by the Issuer or the Municipal Advisor that it no longer needs to do so.

2. Defined Terms.

(a) *Issuer* means the Town of Charlton, Massachusetts.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Successful Bidder or a related party to a Successful Bidder. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

*\* Preliminary; Subject to change.*

3. Receipt. The Successful Bidder hereby acknowledges receipt from the Issuer of the bonds of the Issue and further acknowledges receipt of all certificates, opinion, and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of such bonds of the Issue, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Troutman Pepper Locke LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_, 2025

[SUCCESSFUL BIDDER]

By: \_\_\_\_\_

Name:

Title:

[SCHEDULE A – SALE PRICES (to be attached)]

**Issue Price Certificate for Use If the Competitive Sale Requirements Are  
Not Met and the Hold the Price Rule Is Imposed**

**\$3,800,000\***

**TOWN OF CHARLTON, MASSACHUSETTS  
GENERAL OBLIGATION FIRE STATION BONDS  
Dated April 16, 2025**

**ISSUE PRICE CERTIFICATE AND RECEIPT**

The undersigned, on behalf of \_\_\_\_\_ (the (“Successful Bidder”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Town of Charlton, Massachusetts (the “Issuer”).

**1. Sale of the Bonds.** As of the date of this certificate, [except as set forth in paragraph 2 below,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% test has not been met as of the Sale Date.]

[For each Maturity of the Bonds as to which no price is listed in Schedule A (the “Unsold Maturities”), as set forth in the Notice of Sale for the Bonds, the Successful Bidder and any other Underwriter did not reoffer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public until the earlier of (i) \_\_\_\_\_, 2025 or (ii) the date on which the Successful Bidder or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.]

**2. Defined Terms.**

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

**3. Receipt.** The Successful Bidder hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinion and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of the Bonds, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Troutman Pepper Locke LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The Successful Bidder hereby acknowledges receipt from the Issuer of the bonds if the Issue and further acknowledges receipt of all certificates, opinion and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of such bonds of the Issue, which certificates, opinions and other documents are satisfactory to the Successful Bidder.



Dated: \_\_\_\_\_, 2025

[SUCCESSFUL BIDDER]

By: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
*\* Preliminary, subject to change.*

\_\_\_\_\_  
Schedule A – Sale Prices (to be attached)

## **ISSUE SUMMARY STATEMENT – BOND ANTICIPATION NOTES**

Issuer: Town of Charlton, Massachusetts

Date of Sale: Wednesday, April 2, 2025 at 11:00 a.m. (Eastern Daylight Savings Time)

Method of Sale: Electronic Bids Via i-Deal® or Email Bids to [virginia.porter@townofcharlton.net](mailto:virginia.porter@townofcharlton.net) (Refer to Appendix E Bid Form)

Issue: \$14,199,000 General Obligation Bond Anticipation Notes, (the “Notes”)

Purpose: Financing a landfill capping and a portion of a new Fire Substation. (See **“AUTHORIZATION AND USE OF PROCEEDS”** herein.)

Dated Date of Notes: April 16, 2025

Maturity Date of Notes: April 16, 2026

Interest Calculation: 30/360 (360/360)

Credit Rating: S&P Global Ratings rating: \_\_\_\_\_ (See **“RATINGS”** herein).

Security: The Notes are valid general obligations of the Town of Charlton, Massachusetts and the principal of and interest on the Notes are payable from taxes which may be levied upon all property within the territorial limits of the Town and taxable by it, without limit as to rate or amount, except as provided under Chapter 44, Section 20 of the General Laws with respect to that portion of the principal and interest payments (\$12,199,000 principal amount) that the Town has voted to exempt from the limit imposed by Chapter 59 Section 21C of the General Laws, and subject to the limitations imposed by Chapter 59, Section 21C of the General Laws with respect to that portion of the principal and interest payments (\$2,000,000 principal amount) that the Town has not voted to exempt from that limit.

Basis of Award: Lowest net interest cost (NIC) after the subtraction of any premium offered.

Minimum Bid: **The minimum par amount to be bid on at a single rate of interest on the Notes is \$1,000,000.** No bid of less than par **plus a premium of not less than \$35,497.50 (\$2.50 per \$1,000 par amount)** and accrued interest to date of delivery, if any, will be considered.

Tax Exemption: Refer to Tax Exemption herein.

Material Events: Refer to Disclosure of Significant Events herein.

Bank Qualification: The Notes will **NOT** be “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Paying Agent: U.S. Bank Trust Company, National Association, Boston, Massachusetts, or its successor.

Legal Opinion: Troutman Pepper Locke LLP, Boston, Massachusetts.

Delivery and Payment: It is expected that the Notes will be delivered to The Depository Trust Company, or the offices of its custodial agent, or to the registered owner is a fully registered Note is requested by the Purchaser, against payment to the account of the Town in federal reserve funds on or about April 16, 2025.

Issue Contacts: Virginia Porter, Treasurer/Collector, Town of Charlton  
Telephone (508) 248-2239  
David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc.,  
Whitinsville, MA  
Telephone (508) 849-4222  
Richard A. Manley, Jr., Esq., Troutman Pepper Locke LLP, Boston, MA  
Telephone (617) 239-0384

Additional Information: Refer to the Preliminary Official Statement dated March 26, 2025.

## NOTICE OF SALE

**\$14,199,000**  
**TOWN OF CHARLTON**  
**MASSACHUSETTS**  
**GENERAL OBLIGATION BOND ANTICIPATION NOTES**

The Town of Charlton, Massachusetts, will receive Electronic Bids Via i-Deal® or email bids to [virginia.porter@townofcharlton.net](mailto:virginia.porter@townofcharlton.net) until 11:00 a.m. (Eastern Daylight Saving Time) on

**April 2, 2025**

for the purchase of \$14,199,000 General Obligation Bond Anticipation Notes, dated April 16, 2025 (the “Notes”). The Notes, in book-entry or registered form, will mature April 16, 2026 and interest will be payable at maturity and will be calculated on a 30-day month, 360-day year basis. Both principal and interest will be payable in federal reserve funds to DTC by U.S. Bank Trust Company, National Association, in Boston, Massachusetts or its successor as Paying Agent, unless the successful bidder requests a physical registered note certificate and the Town approves such request.

The Notes will be issued either by means of a book-entry system evidencing ownership in principal amounts of \$1,000 or integral multiples thereof and transfer of the Notes on the records of DTC and its Participants, or as a fully registered Note certificate if such is selected by the successful bidder and approved by the Town.

### **Bank Qualification**

The Notes will **NOT** be “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### **Form of Bid and Basis of Award**

Bids may be submitted electronically or via email to [virginia.porter@townofcharlton.net](mailto:virginia.porter@townofcharlton.net). Electronic bids will be submitted through ***i-Deal***®. If any provisions in this Notice of Sale conflict with information provided by ***i-Deal***®, this Notice of Sale shall control. Further information about ***i-Deal***®, including any fees charged, may be obtained from ***i-Deal***® at (212) 849-5000. The Town assumes no responsibility or liability for bids submitted through ***i-Deal***®. An electronic bid made in accordance with this Notice of Sale shall be deemed an irrevocable offer to purchase the Notes in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town.

Bids may be for all or part of the Notes at a single or various rates of interest in a multiple of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). No bid of less than par **plus a premium of not less than \$35,497.50** plus accrued interest to the date of delivery will be considered. **The minimum amount to be bid on at a single rate of interest on the Notes is \$1,000,000.** Bidders submitting bids for less than the full par amount may pro-rate their bid based on par plus a premium of not less than \$2.50 per \$1,000 par amount.

The Notes will be awarded on the basis of the lowest net interest cost to the Town after the subtraction of any premium offered. In the event a bidder offering a premium for the Notes is awarded a lesser amount of Notes than bid, the premium will be reduced proportionately. The award of the Notes to the winning bidder will not be effective until the bid has been approved by the Treasurer and the Select Board. In the event that two or more bidders submit the lowest net interest cost for the Notes, the Town Treasurer shall determine the winning bidder by lot from among such proposals.

## Legal Opinion

The initial purchaser will be furnished the opinion of Troutman Pepper Locke LLP, of Boston, Massachusetts, approving the legality of the Notes. The opinion will also indicate that the Notes and the enforceability thereof may be subject to bankruptcy and other laws affecting creditor's rights and that their enforceability may also be subject to exercise of judicial discretion in appropriate cases. Payment of the principal of and interest on the Notes is not limited to a particular fund or source of revenue nor is any lien or pledge for such payment created with respect to any such fund or source. The Notes will be valid general obligations of the Town and that, except to the extent they are paid from the proceeds of bonds in anticipation of which they are issued or from any other sources, the principal of and interest on the Notes are payable from ad-valorem taxes which may be levied upon all taxable property within the territorial limits of the Town without limit as to rate or amount, except as provided under Chapter 44, Section 20 of the General Laws with respect to that portion of the principal and interest payments (\$12,199,000 principal amount) that the Town has voted to exempt from the limit imposed by Chapter 59 Section 21C of the General Laws, and subject to the limitations imposed by Chapter 59, Section 21C of the General Laws with respect to that portion of the principal and interest payments (\$2,000,000 principal amount) that the Town has not voted to exempt from that limit.

## Documents to be Delivered at Closing

The successful bidder shall assist the Town in establishing the issue price of the Notes and shall execute and deliver to the Town on the Closing Date an "issue price" or similar certificate, in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering price to the public or the actual sale price of the Notes, together with the supporting pricing wires or equivalent communications, or, if applicable, the amount bid, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Town and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the Town by UniBank Fiscal Advisory Services Inc. ("Municipal Advisor") and any notice or report to be provided to the Town may be provided to the Municipal Advisor.

Competitive Sale Requirements. If the competitive sale requirements ("competitive sale requirements") set forth in Treasury Regulation § 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) have been satisfied, the Town will furnish to the successful bidder on the Closing Date a certificate of the Municipal Advisor, which will certify each of the following conditions to be true:

1. the Town has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders had an equal opportunity to bid;
3. the Town received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the Town awarded the sale of the Notes to the bidder who submitted a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

**Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid. Unless a bidder notifies the Town prior to submitting its bid by email (david.eisenthal@unibank.com) to the Municipal Advisor or in its bid submitted via Parity, that it will not be an "underwriter" (as defined below) of the Notes, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds. Unless the bidder has notified the Town that it will not be an "underwriter" (as defined below) of the Notes, in submitting a bid, each bidder is deemed to acknowledge that it is an "underwriter" that intends to reoffer the Notes to the public.**

In the event that the competitive sale requirements are not satisfied, the Town shall so advise the successful bidder.

Failure to Meet the Competitive Sale Requirements – Option A – The Successful Bidder Intends to Reoffer the Notes to the Public and the 10% Test to Apply. If the competitive sale requirements are not satisfied and the successful bidder intends to reoffer the Notes to the public, the Town will use the first price at which 10% of the Notes (the "10% test") is sold to the public as the issue price of the Notes. The successful bidder shall advise the Municipal Advisor if the 10% test

is satisfied as of the date and time of the award of the Notes. The Town will not require bidders to comply with the “hold-the-offering-price rule” set forth in the applicable Treasury Regulations and therefore does not intend to use the initial offering price to the public as of the Sale Date as the issue price of the Notes if the competitive sale requirements are not met.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to Notes or all of the Notes are sold to the public, the successful bidder agrees to promptly report to the Municipal Advisor the prices at which the unsold Notes have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied for the Notes or until all the Notes have been sold. The successful bidder shall be obligated to report each sale of Notes to the Municipal Advisor until notified in writing by the Town or the Municipal Advisor that it no longer needs to do so.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Notes or all of the Notes have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the public the unsold Notes allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Notes or that all of the Notes have been sold to the public if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

“public” means any person other than an underwriter or a related party,

“underwriter” means (A) any person that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public), and

a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Failure to Meet the Competitive Sale Requirements — Option B — The Successful Bidder Intends to Reoffer the Notes to the Public and Agrees to Hold the Price of Maturities of Notes for Which the 10% Test in Option A Is Not Met as of the Sale Date. The successful bidder may, at its option, notify the Municipal Advisor in writing, which may be by email (the “Hold the Price Notice”), not later than 4:00 p.m. (Eastern Daylight Savings Time) on the Sale Date, that it has not sold 10% of the maturities of the Notes listed in the Hold the Price Notice (the “Unsold Maturities”) and that the successful bidder will not offer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the successful bidder has sold at least 10% of the applicable Unsold Maturity to the public at a price that is no higher than the initial offering price to the public. If the

successful bidder delivers a Hold the Price Notice to the Municipal Advisor, the successful bidder must provide to the Issuer on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Notes, including underwriters in an underwriting syndicate or selling group, has agreed in writing to hold the price of the Unsold Maturities in the manner described in the preceding sentence.

Failure to Meet the Competitive Sale Requirements and/or The Successful Bidder Does Not Intend to Reoffer the Notes to the Public – Option C. If the successful bidder has purchased the Notes for its own account and will not distribute or resell the Notes to the public, then, whether or not the competitive sale requirements were met, the reoffering price certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

It shall be a condition to the obligation of the successful bidder of the Notes to accept delivery of and pay for the Notes that it shall be furnished, without cost, with (a) the approving opinion of the firm of Troutman Pepper Locke LLP, (b) a certificate in form satisfactory to said firm dated as of the date of delivery of the Notes and receipt of payment therefor to the effect that there is no litigation pending or, to the knowledge of the signers thereof, threatened affecting the validity of the Notes or the power of the Town to levy and collect taxes to pay them, (c) a certificate of the Town Treasurer/Collector to the effect that, to the best of her knowledge and belief, both as of the date of sale and of the date of delivery of the Notes, the Official Statement referred to below does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (d) a Significant Events Disclosure Certificate in the form described in the Preliminary Official Statement.

### **CUSIP Identification Numbers**

It is anticipated that CUSIP identification numbers will be printed on the Notes, but neither the failure to print such numbers on any Note, nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All costs associated with the assignment of such numbers shall be paid by the purchaser of the Notes. The Town assumes no responsibility for any CUSIP Service Bureau or any other charge that may be imposed for the assignment of such numbers.

### **Significant Events Disclosure**

In order to assist bidders in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will undertake to provide notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

### **Delivery**

The Notes will be delivered to The Depository Trust Company, or the offices of its custodial agent, against payment to the account of the Town in federal reserve funds on or about April 16, 2025.

### **Additional Information and Copies of the Official Statement**

Any questions regarding this Notice of Sale or the Preliminary Official Statement should be directed to David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc., Whitinsville, Massachusetts at (508) 849-4222 or Virginia Porter, Treasurer/Collector, at (508) 248-2239. This Preliminary Official Statement is deemed final by the Town except for the omission of the reoffering prices, interest rates, and any other terms of the Notes depending on such matters and the identity of the underwriters. Within seven business days following the award of the Notes and receipt of necessary information from the successful bidder, up to 10 copies of the Final Official Statement will be made available to the successful bidder or bidders. Upon request, additional copies will be provided at the expense of the successful bidder.

The right is reserved to reject any or all bids and to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any bid.

**TOWN OF CHARLTON  
Massachusetts**

/s/ Virginia Porter  
Treasurer/Collector

Dated: March 26, 2025

Bond Counsel are not passing upon and do not assume any responsibility for the accuracy or adequacy of the following information contained in the Preliminary Official Statement other than matters expressly set forth as the opinion of Bond Counsel and they make no representation that they have independently verified the same.

The information set forth herein has been obtained from the Town and from other sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. Any statements made in this Preliminary Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale of the Notes described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the Town of Charlton since the date hereof.



**[Use if Competitive Sale Requirements Are Met]****\$14,199,000****Town of Charlton, Massachusetts****General Obligation Bond Anticipation Notes, dated April 16, 2025****ISSUE PRICE CERTIFICATE AND RECEIPT**

The undersigned, on behalf of [NAME OF SUCCESSFUL BIDDER] (the “Successful Bidder”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Notes”) of the Town of Charlton, Massachusetts (the “Issuer”).

**1) Reasonably Expected Initial Offering Prices.**

- (a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Successful Bidder are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Notes used by the Successful Bidder in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Notes.
- (b) The Successful Bidder was not given the opportunity to review other bids prior to submitting its bid.
- (c) The bid submitted by the Successful Bidder constituted a firm offer to purchase the Notes.

**2) Defined Terms.**

- (a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Notes. The Sale Date of the Notes is April 2, 2025.
- (d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

**3) Receipt.** The Successful Bidder hereby acknowledges receipt from the Issuer of the Notes and further acknowledges receipt of all certificates, opinions and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of such Notes, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Troutman Pepper Locke LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: \_\_\_\_\_, 2025

[SUCCESSFUL BIDDER]

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**  
**(To be attached)**

**SCHEDULE B**  
**COPY OF UNDERWRITER'S BID**  
**(To be attached)**

**[Use If the Competitive Sale Requirements Are Not Met  
and the 10% Test to Apply]**

**\$14,199,000  
Town of Charlton, Massachusetts  
General Obligation Bond Anticipation Notes, dated April 16, 2025**

**ISSUE PRICE CERTIFICATE AND RECEIPT**

The undersigned, on behalf of \_\_\_\_\_ (the “Successful Bidder”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”) by the Town of Charlton, Massachusetts (the “Issuer”).

1. **Sale of the Notes.** As of the date of this certificate, [except as set forth in paragraph 2 below,] [the first price at which at least 10% of the Notes was sold to the Public is \_\_\_\_%][all of the Notes were sold at the prices set forth in Exhibit A hereto].

[Only use the next paragraph if the 10% test has not been met or all of the Notes have not been sold as of the Closing Date.]

Until the 10% test has been satisfied for the Notes or all of the Notes are sold to the Public, the Successful Bidder agrees to promptly report to the Issuer’s Municipal Advisor, UniBank Fiscal Advisory Services, Inc. (the “Municipal Advisor”), the prices at which the Notes have been sold to the Public, which reporting obligation shall continue after the date hereof until the 10% test has been satisfied for the Notes or until all the Notes have been sold. The Successful Bidder shall continue to report each sale of Notes to the Municipal Advisor until notified by email or in writing by the Issuer or the Municipal Advisor that it no longer needs to do so.

2. **Defined Terms.**

- (a) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (b) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

3. **Receipt.** The Successful Bidder hereby acknowledges receipt from the Issuer of the Notes and further acknowledges receipt of all certificates, opinions and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of such Notes, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Troutman Pepper Locke LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: \_\_\_\_\_, 2025

[SUCCESSFUL BIDDER]

By: \_\_\_\_\_  
Name:  
Title:

[EXHIBIT A

If less than 10% of the Notes have been sold at a single price as of the Closing Date, but all of the Notes have been sold as of the Closing Date at a variety of prices, attach a list of the prices at which the Notes were sold as of the Closing Date. In that scenario, the issue price of the Notes will be the average sales price.]

**Issue Price Certificate for Use If the Competitive Sale Requirements Are  
Not Met and the Hold the Price Rule Is Used**

**Town of Charlton, Massachusetts  
\$14,199,000 General Obligation Bond Anticipation Notes, dated April 16, 2025**

**ISSUE PRICE CERTIFICATE AND RECEIPT**

The undersigned, on behalf of \_\_\_\_\_ (the (“Successful Bidder”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Notes”) of the Town of Charlton, Massachusetts (the “Issuer”).

**1. Sale of the Notes.** As of the date of this certificate, [except as set forth in paragraph 2 below,] for each Maturity of the Notes, the first price at which at least 10% of such Maturity of the Notes was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% test has not been met as of the Sale Date.]

For each Maturity of the Notes as to which no price is listed in Schedule A (the “Unsold Maturities”), as set forth in the Notice of Sale for the Notes, the Successful Bidder and any other Underwriter did not reoffer the Unsold Maturities until the earlier of (i) \_\_\_\_\_, 2025 or (ii) the date on which the Successful Bidder or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.

**2. Defined Terms.**

(a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

**3. Receipt.** The Successful Bidder hereby acknowledges receipt from the Issuer of the Notes and further acknowledges receipt of all certificates, opinion and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of the Notes, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Troutman Pepper Locke LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: \_\_\_\_\_, 2025

[SUCCESSFUL BIDDER]

By: \_\_\_\_\_

Name:

Title:

## **SCHEDULE A -SALE PRICES**

**(To be Attached)**

**OFFICIAL STATEMENT**

**TOWN OF CHARLTON  
MASSACHUSETTS  
GENERAL OBLIGATION BONDS AND NOTES**

**\$3,800,000\***  
**General Obligation Fire Station Bonds**

**\$14,199,000**  
**General Obligation Bond Anticipation Notes**

**INTRODUCTION**

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Charlton, Massachusetts (the “Town”) in connection with the issuance of its \$3,800,000\* General Obligation Fire Station Bonds (the “Bonds”) and its \$14,199,000 General Obligation Bond Anticipation Notes (the “Notes”).

The Bonds and the Notes are being offered for sale at public bidding and Notices of Sale for the Bonds and the Notes dated March 26, 2025 have been furnished to prospective bidders. Reference is hereby made to the applicable Notice of Sale for the terms and conditions of bidding for the Bonds and the Notes.

The Bonds and the Notes will be general obligations of the Town for which its full faith and credit are pledged. They are not guaranteed by The Commonwealth of Massachusetts (the “Commonwealth”) or any other entity. Payment of the principal of and interest on the Bonds and the Notes is not limited to a particular fund or revenue source. The security for the Bonds is more fully described under the caption Security and Remedies herein.

Questions regarding information contained in this Official Statement or other matters should be directed to the following: Virginia Porter, Treasurer/Collector, Town of Charlton, Massachusetts, Telephone (508) 248-2239; David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc., (508) 849-4222; or Richard A. Manley, Jr., Esq., Troutman Pepper Locke LLP (617) 239-0384.

The information contained herein has been obtained from the sources indicated or from the Town.

*\*Preliminary; subject to change*

## PART I

### THE BONDS AND THE NOTES

#### DESCRIPTION OF THE BONDS AND NOTES

The Bonds and Notes each will be dated April 16, 2025. The Bonds will mature on May 1 of the years and in the principal amounts as follows:

#### The Bonds

<b><u>Due</u></b> <b><u>May 1</u></b>	<b><u>Principal</u></b> <b><u>Amount*</u></b>	<b><u>Due</u></b> <b><u>May 1</u></b>	<b><u>Principal</u></b> <b><u>Amount*</u></b>
2026	\$135,000	2041	\$130,000
2027	135,000	2042	130,000
2028	135,000	2043	130,000
2029	135,000	2044	130,000
2030	135,000	2045	130,000
2031	135,000	2046	130,000
2032	130,000	2047	130,000
2033	130,000	2048	130,000
2034	130,000	2049	130,000
2035	130,000	2050	130,000
2036	130,000	2051	130,000
2037	130,000	2052	130,000
2038	130,000	2053	130,000
2039	130,000	2054	130,000
2040	130,000		

*\*Preliminary; subject to change.*

Principal and semi-annual interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, Boston, Massachusetts, or its successor, acting as paying agent (the “Paying Agent”). Interest from the date of the Bonds will be payable on November 1, 2025 and semi-annually thereafter on each May 1 and November 1 until the final maturity or redemption of the Bonds. So long as The Depository Trust Company (“DTC”), New York, New York or its nominee, Cede & Co., is the Bondowner, such payments of principal and interest on the Bonds will be made directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein.

The Bonds are issuable only in fully registered form without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for DTC. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owner shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See Book-Entry Transfer System herein.)

The record date for each payment of interest on the Bonds is the fifteenth day of the month preceding the interest payment date, provided that if such date is not a business day, the record date will be the next succeeding business day. Under certain circumstances, the Paying Agent may establish a special record date. The special record date may not be more than twenty (20) days before the date set for payment. The Paying Agent will mail notice of a special record date to the bondholders at least ten (10) days before the special record date.



## The Notes

The Notes will mature on April 16, 2026 with interest at the rate or rates determined upon their sale payable at maturity. The Notes will be issued in principal amounts of \$1,000 or integral multiples thereof, with transfer of the Notes on the records of The Depository Trust Company (“DTC”) and its Participants unless the delivery of a registered Note in the aggregate principal amount is requested by the successful bidder and approved by the Town.

Interest on the Notes will be computed on a 30/360 day year basis (360/360). The record date for the payment of interest on the Notes will be the third business day prior to the interest payment date. The Notes will be issued without the option of prior redemption. Both principal and interest will be payable to DTC in the case of book entry notes, or to the registered owner in the case of a physical registered note certificate, by U.S. Bank Trust Company, National Association, in Boston, Massachusetts, or its successor as Paying Agent.

## **AUTHORIZATION AND USE OF PROCEEDS – BONDS**

The Bonds are issued pursuant to c.44, §7(1) of the Massachusetts General Laws, as amended, and votes of the Town on May 20, 2024 (Article 5) for the purpose of constructing a fire substation. The Bonds will finance \$3,801,000 in project costs. The Town is simultaneously issuing \$12,199,000 principal amount of Notes to finance the same project. (See “**AUTHORIZATION AND USE OF PROCEEDS – BOND ANTICIPATION NOTES**” herein.) Total borrowing authorization for this purpose is \$16,901,000. The portion of the authorization financed by the Bonds is subject to the limitations of Proposition 2½.

## **AUTHORIZATION AND USE OF PROCEEDS – BOND ANTICIPATION NOTES**

\$12,199,000 principal amount of the Notes are issued pursuant to c.44, §7(1) of the Massachusetts General Laws, as amended, and votes of the Town on May 20, 2024 (Article 5) and May 4, 2024 (Question 1) for the purpose of constructing a fire substation. The Town is simultaneously issuing \$3,800,000\* principal amount of Bonds to finance the same project. (See “**AUTHORIZATION AND USE OF PROCEEDS – BONDS**” herein.) Total borrowing authorization for this purpose is \$16,901,000. **Debt service for this portion of the Notes is excluded from the limitations of Proposition 2½.**

\$2,000,000 principal amount of the Notes are issued pursuant to c.44, §8(23) of the Massachusetts General Laws, as amended, and votes of the Town November 14, 2021 (Article 7) authorizing capping of the Town’s landfill.

## **REDEMPTION – BONDS**

### **Optional Redemption**

The Bonds maturing in the years 2026 to 2033 are not subject to redemption prior to their stated date of maturity.

The Bonds maturing on and after May 1, 2034 are subject to redemption prior to maturity, at the option of the Town, on and after May 1, 2033, either in whole or in part at any time, and if in part, by lot within a maturity, at par plus accrued interest to the date set for redemption.

### **Mandatory Redemption**

Term bonds, if any, will be subject to mandatory redemption on May 1 in each year or years immediately prior to the stated maturity of such Term Bonds (the particular Bonds of such maturity to be redeemed to be selected by lot) as indicated on the cover page of the Preliminary Official Statement at the principal amount thereof (which is subject to change as described therein) plus accrued interest to the redemption date.

## **REDEMPTION – BOND ANTICIPATION NOTES**

The Notes are not subject to redemption prior to their stated date of maturity.

## **NOTICE OF REDEMPTION**

So long as DTC is the registered owner of the Bonds, notice of any redemption of the Bonds, prior to their maturities, specifying the Bonds (or portions thereof) to be redeemed shall be mailed to DTC not more than 60 days nor less than 30 days prior to the redemption date. Any failure on the part of DTC to notify the DTC Participants of the redemption or failure on the part of the DTC Participants or of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner shall not affect the validity of the redemption. If moneys for the redemption are held by the Paying Agent on the redemption date and if notice of the redemption shall have been duly mailed, then from and after the redemption date interest on the Bonds (or portions thereof) called for redemption shall cease to accrue.

## **SECURITY AND REMEDIES**

**Full Faith and Credit.** General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for “qualified bonds” and setoffs of state distributions (see “State Distributions” herein) no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

**Tax Levy.** The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year “all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for (and) all amounts necessary to satisfy final judgments”. Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payments of notes in anticipation of federal or state aid if the aid is no longer forthcoming.

**The Town has voted to exclude the debt service on \$12,199,000 principal amount of the Notes from the limitations of Proposition 2½, subject to the provisions of Chapter 44, Section 20 of the General Laws.**

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See “Tax Limitation” herein.) In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

**No Lien.** Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy or any other moneys to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See “DEBT LIMITS” herein.) Upon certification by the city solicitor or town council that no appeal can or will be taken, or as otherwise required by a municipality’s charter, ordinances, or by-laws, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made. Any such payments shall be reported to the city or town’s assessors by the city or town’s auditor or accountant (or other officer having similar duties). The assessors shall include amounts of such payments in the aggregate appropriations assessed in the determination of the next subsequent annual tax rate.

**Court Proceedings.** Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law (see “Tax Limitations” herein). In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

**Restricted Funds.** Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter, passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing purposes, respectively and accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges for such activity. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately-held property in the city or town for certain energy conservation and renewable energy projects, and may borrow to establish such a fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them, may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

**State Distributions.** State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on “qualified bonds” and any other sums due and payable by the city or town to The Commonwealth of Massachusetts (the “Commonwealth”) or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority (the “MBTA”) or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resource Authority (the “MWRA”) if the city or town is within the territory served by the Authority, for any debt service due on obligations issued to the Massachusetts School Building Authority, or for charges necessary to meet obligations under the Commonwealth’s Water Pollution Abatement or Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater treatment or collection services or drinking water treatment services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by the Commonwealth to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act is often delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

**Bankruptcy.** Enforcement of a claim for payment of principal of or interest on general obligation bonds or notes would be subject to the applicable provisions of Federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the State legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not currently authorized by the Massachusetts General Laws to file a petition for bankruptcy under Federal Bankruptcy Laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, however, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, such special legislation has also

authorized the filing of federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth's oversight of the financially distressed city, town or regional school district. To date, no such filings have been approved or made.

### **OPINION OF BOND COUNSEL**

The original purchasers of the Bonds and the Notes each will be furnished a copy of the opinion of Troutman Pepper Locke LLP, of Boston, Massachusetts, approving the legality of the Bonds and Notes. The opinion for the Bonds and the Notes will be dated and given on and will speak only as of the date of original delivery. A complete copy of the proposed opinion of Bond Counsel for the Bonds is set forth in Appendix C. The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy of any statements made in this Official Statement other than matters expressly set forth as their opinion and they make no representation that they have independently verified the same.

### **TAX EXEMPTION**

In the opinion of Troutman Pepper Locke LLP, Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds and the Notes will not be included in computing the alternative minimum taxable income of Bondholders who are individuals. However, interest on the Bonds and Notes will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Bonds or the Notes. The Bonds and the Notes will **NOT** be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds and the Notes. Failure to comply with these requirements may result in interest on the Bonds or the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds and Notes. The Town has covenanted to comply with such requirements to ensure that interest on the Bonds and the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Bonds and the Notes is exempt from Massachusetts personal income taxes, and the Bonds and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Bonds or the Notes. Prospective Bondholders should be aware, however, that the Bonds and the Notes are included in the measure of Massachusetts estate and inheritance taxes, and the Bonds and the Notes and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion as to the taxability of the Bonds or the Notes or the income therefrom or any other tax consequences arising with respect to the Bonds or the Notes under the laws of any state other than Massachusetts. A complete copy of the proposed form of opinion of Bond Counsel for the Bonds is set forth in Appendix C.

To the extent the issue price of any maturity of the Bonds or any maturity of the Notes is less than the amount to be paid at such maturity (excluding amounts stated to be interest and payable at least annually over the term of such Bonds or Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds and the Notes which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds or the Notes is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Bonds or the Notes is sold to the public, as applicable. The original issue discount with respect to any maturity of the Bonds or any maturity of the Notes accrues daily over the term to maturity of such Bond or Note on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bond or Note to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bond or Note. Bondholders should consult their own tax advisors with respect to the tax consequences of ownership

of Bonds or the Notes with original issue discount, including the treatment of purchasers who do not purchase such Bonds or the Notes in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Bond or Notes is sold to the public.

Bonds or Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds or Notes, or, in some cases, at the earlier redemption date of such Bonds (“Premium Bonds” or “Premium Notes”, as applicable), will be treated as having amortizable Bond premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable Bond or Note premium in the case of obligations, such as the Premium Bonds or Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Bondholder’s basis in a Premium Bond or Premium Note will be reduced by the amount of amortizable Bond premium or Note premium properly allocable to such Bondholder. Holders of Premium Bonds or Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable Bond or Note premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds or the Notes may adversely affect the value of, or the tax status of interest on, the Bonds or the Notes.

Although Bond Counsel is of the opinion that interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds or the Notes may otherwise affect the federal or state tax liability of a Bondholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Bonds in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder’s other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders should consult with their own tax advisors with respect to such consequences.

### **Risk of Future Legislative Changes and/or Court Decisions**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Massachusetts legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds and the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds and the Notes will not have an adverse effect on the tax status of interest on the Bonds and the Notes or the market value or marketability of the Bonds and the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds and the Notes from gross income for federal or state income tax purposes for all or certain taxpayers. Additionally, Bondholders and Noteholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds and the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds and the Notes may be affected and the ability of Bondholders and Noteholders to sell their Bonds and the Notes in the secondary market may be reduced. The Bonds and the Notes are not subject to special mandatory redemption, and the interest rate on the Bonds and the Notes is not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds and the Notes.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

### **BOOK ENTRY TRANSFER SYSTEM**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds, and for the Notes unless a fully registered certificate is requested by the successful bidder for the Notes and approved by the Town. The following discussion only applies to Notes issued in book-entry form through the facilities of DTC and the Bonds.

The Bonds and the Notes will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, and one for each interest rate on the Notes, each in the aggregate principal amount of such maturity, and each such certificate will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

### **DTC Practices**

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds or the Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

## **RATINGS**

The Town has applied to S&P Global Ratings for ratings on the Bonds and Notes. Such ratings, if assigned, would reflect only that rating agency's view and would be subject to revision or withdrawal which could affect the market price of the Bonds and Notes.

## **CONTINUING DISCLOSURE**

In order to assist the underwriters of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), the Town will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Town by not later than 270 days after the end of each fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in Appendix D. The Certificate will be executed by the signers of the Bonds, and incorporated by reference in the Bonds. The Town is the only "obligated person" with respect to the Bonds within the meaning of the Rule.

In the past five years, the Town believes it has complied, in all material respects, with its previous undertakings to provide financial information and notices of significant events in accordance with the Rule.

## **DISCLOSURE OF SIGNIFICANT EVENTS**

In order to assist underwriters of the Notes in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission applicable to municipal securities having a stated maturity of 18 months or less, the Town will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board ("MSRB") notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if material; (h) bond calls, if material, and tender offers; (i) defeasances; (j) release, substitution or sale of property securing the repayment of the Notes, if material; (k) rating changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the Town; (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or the change of name of a trustee, if material, (o) incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect Owners of the Notes, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

The covenant will be included in a Significant Events Disclosure Certificate to be executed by the signers of the Notes and incorporated by reference in the Notes. The sole remedy available to the owners of the Notes for the failure of the Town to comply with any provision of the certificate shall be an action for specific performance of the Town's obligations under the certificate and not for money damages; no other person shall have any right to enforce any provision of the certificate.

In the past five years, the Town believes that it has complied in all material respects, with its previous undertakings to provide financial information or notices of significant events in accordance with the Rule.



## **PART II**

### **TOWN OF CHARLTON, MASSACHUSETTS**

The Town of Charlton was incorporated in 1755. The Town is located in central Massachusetts in Worcester County approximately 15 miles west of Worcester, 35 miles east of Springfield, 45 miles northeast of Hartford, Connecticut, and 50 miles west of Boston. The Town covers an area of approximately 43.8 square miles and is bordered on the north by the Towns of Leicester and Spencer, on the west by the Towns of East Brookfield and Sturbridge, on the east by the Town of Oxford, and on the south by the Towns of Southbridge and Dudley.

The Massachusetts Turnpike (I-90) passes through the Town and is accessible in Sturbridge and Auburn. U.S. Route 20, a major east-west highway, also passes through the Town. Interstate 84 is also accessible in Sturbridge. The primary commercial airport serving the Town is Bradley International Airport in Windsor Locks, Connecticut, which is approximately a 40-minute drive from the Town. Commuter rail service is available to Boston via the MBTA with a station in Worcester. Commuter rail service to Hartford, New Haven, and points south is available via CTRail with a station in Springfield. Amtrak passenger rail service is also available in Springfield and Worcester.

### **CONSTITUTIONAL STATUS AND FORM OF GOVERNMENT**

Massachusetts cities and towns are subject to the plenary legislative power of the Commonwealth. As stated by the Supreme Judicial Court:

A town is not an independent sovereignty. It is merely a subordinate agency of State government. It is a creature of the Commonwealth, from which are derived all its powers and those of its voters and officers.

Cities and towns provide general governmental services at the local level. Municipalities were traditionally authorized to exercise only those powers granted by the State legislature, but Massachusetts adopted a Home Rule Amendment to its Constitution in 1966, under which a city or town may exercise by ordinance or by-law any power which the State legislature could confer upon it, provided that the ordinance or by-law is consistent with the laws enacted by the State legislature. Certain powers are excluded from home rule and may still be exercised only when authorized by State law; these powers include the power to levy taxes, the power to borrow money, and the power to enact private or civil laws governing civil relationships except as an incident to the exercise of an independent municipal power. Under the Home Rule Amendment the State legislature may enact general laws relating to a class of two or more municipalities but (except in limited circumstances) may enact a special law relating to a particular city or town only on request of the city or town or on recommendation of the governor and passage by a two-thirds vote of both houses of the legislature.

An amendment to the State Constitution provides that any law imposing additional costs on two or more cities or towns by regulating aspects of municipal employment will not be effective within a city or town until the city council or town meeting accepts the law. Local acceptance is not required if the legislature has either passed the law by a two-thirds vote or provided that the additional costs would be assumed by the State.

Cities and towns may change their form of government by adopting home rule charters or amending existing charters. A town of less than 12,000 population may not change to a city form of government and a town of less than 6,000 inhabitants may not change from the open town meeting form of government to a limited or representative town meeting form.

Cities are generally governed by a city council and an elected mayor who has the power to veto council actions; the council may override a mayoral veto by a two-thirds vote of the councilors. Some cities are governed by a city council and an appointed city manager who has no power to veto council actions; some municipalities, although still called “towns”, have adopted a similar form of government with a town council and an elected mayor or town manager or administrator. Provision is often made for a referendum on council actions, and for initiation of measures, upon petition of a sufficient number of voters.

Most towns are governed by open town meetings in which any voter may participate. Others have an elected representative town meeting, often with public officers serving as ex officio members of the town meeting. Provision is usually made for a referendum on actions of the representative town meeting upon petition of a sufficient number of voters. Administrative affairs are generally managed by a board of three or more selectmen, sometimes with the assistance of a town manager or executive secretary.

School affairs of cities and towns are administered by an elected school committee, except in those towns whose educational functions are carried out entirely through a regional school district.

## **GOVERNING BODIES AND OFFICERS**

The Town is governed by an open town meeting and an elected Select Board. The following is a list of the principal executive officers:

<b><u>Office</u></b>	<b><u>Name</u></b>	<b><u>Manner of Selection and Term</u></b>	<b><u>Term Expires</u></b>
Select Board Member	Peter Lancette, Chairman	Elected/3 Years	2026
Select Board Member	Barbara Zurawski, Clerk	Elected/3 Years	2027
Select Board Member	William Borowski, Vice-Chair	Elected/3 Years	2025
Select Board Member	Stephen Koronis	Elected/3 Years	2026
Select Board Member	David Singer	Elected/3 Years	2027
Town Administrator	Andrew M. Golas	Appointed	Indefinite
Finance Director	Ashley Obrzut	Appointed	Indefinite
Town Accountant	Ashley Obrzut	Appointed	Indefinite
Treasurer/Collector	Virginia Porter	Appointed	Indefinite
Town Clerk	Karen LaCroix	Elected/3 Years	2026
Town Counsel	Robert Hennigan	Appointed/1 Year	June 2025

## **SERVICES**

The Town provides general governmental services for the territory within its boundaries including police, fire protection, street maintenance, and recreational facilities. The Town provides water distribution to approximately six percent of the parcels in the Town and provides sewage collection for approximately 14 percent of the parcels in the Town. (See “**WATER AND SEWER FUNDS**” herein.”)

The Town is a member of the Dudley-Charlton Regional School District which provides education for grades K-12. School affairs are administered by a committee of 7 people, 4 of whom are from the Town of Charlton. Members are elected for four years on a staggered basis by voters of the member communities. Vocational education for grades 9-12 is provided by the Southern Worcester County Regional Vocational School District.

## **COVID-19**

COVID-19 is a respiratory disease caused by a novel coronavirus previously not seen in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth’s response to the outbreak of the virus. The Governor has removed the remaining COVID-19 restrictions and the state of emergency in The Commonwealth expired on June 15, 2021.

In response to the COVID-19 pandemic, federal and state legislation was signed into law that provides various forms of financial assistance and other relief to state and local governments. The federal Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and the American Rescue Plan (the “ARP”) Act of 2021, both provided significant financial relief to state and local governments dealing with impacts of the COVID-19 pandemic.

The Town was eligible to receive up to \$1,207,633 in CARES Act funds as part of the federal COVID-19 relief package. In fiscal 2020 the Town received \$75,744 in CARES funding and in fiscal 2021 the Town has received \$732,649.00. The Town was eligible to receive \$4,098,908 in ARP Funds and has received all ARPA Funds to date. The Town has allocated all funds as of December 31<sup>st</sup>, 2024, and plans to have all funds expended by December 31, 2025. The Town of Charlton used ARPA funds to upgrade the towns Radio Structure, update the Sewer Infrastructure, purchase vehicles and gave back funds to local businesses to complete projects. These Coronavirus Relief Funds helped the town to meet the necessary COVID-19 expenditure requirements of the Town without the need for deficit spending.

The Town’s Fiscal Years 2020 through 2024 results were not negatively affected materially by the COVID-19 pandemic.

## **CYBERSECURITY**

The Town has procedures in place regarding cyber security as well as training for Town employees.

## **AUTHORIZATION OF GENERAL OBLIGATION BONDS AND NOTES**

Serial bonds and notes are authorized by a two-thirds vote of the Town Council subject to a referendum period as provided by law. Refunding bonds and notes are authorized by the Town Manager and Treasurer. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary loans in anticipation of the revenue of the current fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be incurred by the Treasurer with the approval of the Town Manager.

## **DEBT LIMITS**

**General Debt Limit.** The General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit for the Town is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The present debt limit of the Town, based on the 2024 equalized valuation, is \$153,999,665. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the Municipal Finance Oversight Board, composed of the State Treasurer, the State Auditor, the Attorney General, and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit if such debt is authorized by a two-thirds vote of the city or town and such debt is payable within the periods so specified in Mass. Gen. Laws. c. 44, §8. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; certain school bonds, certain sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing, bonds for water, housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems. Revenue bonds are not subject to these debt limits. The General Debt Limit applies at the time the debt is authorized. The special debt limits generally apply at the time the debt is incurred.

**Revenue Anticipation Notes.** The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years (see “Taxation to Meet Deficits” herein). In any event, the period from an original borrowing to its final maturity cannot exceed one year.

## **TYPES OF OBLIGATIONS**

**General Obligations.** Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

**Serial Bonds and Notes.** These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue (“DOR”). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public

work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the end of the fiscal year in which any of the bonds or notes being refunded thereby is payable, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as “qualified bonds” with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

**Tax Credit Bonds and Notes.** Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as “tax credit bonds” to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

**Bond Anticipation Notes.** These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed ten years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. The maximum term of bonds issued to refund bond anticipation notes is measured from the date of the original issue of the notes.

**Revenue Anticipation Notes.** These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue.

**Grant Anticipation Notes.** These are issued for temporary financing in anticipation of federal grants and state and county reimbursements for any purpose for which the city or town may incur debt that may be payable over a term of five years or longer. Generally, they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

**Revenue Bonds.** Cities and towns may issue revenue bonds for solid waste disposal facilities, for projects financed under the Commonwealth’s Clean Water or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition, cities and towns which are members of the New England Power Pool may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the Department of Public Utilities. This paragraph is not intended to summarize laws relating to revenue bonds or notes issued in anticipation of them. Industrial revenue bonds are also outside the scope of this paragraph. The Town does not have an electric department.

## **DEBT (1)**

The following shows the direct debt outstanding as of April 16, 2025, including the Bonds and Notes:

### General Obligation Bonds:

Within General Debt Limit (2)		
Buildings	\$ 1,170,000	
The Bonds*	<u>3,800,000</u>	
Total Within Debt Limit		\$ 4,970,000
Outside General Debt Limit:		
Sewer (3)	799,213	
Water (3)	612,868	
Other Outside – General	<u>575,000</u>	
Total Outside Debt Limit		<u>1,987,081</u>
Total Long-Term Indebtedness		\$ 6,957,081
Temporary Loans in Anticipation of:		
Revenue	\$ 0	
Bonds (4)	14,199,000	
Grants	<u>0</u>	
Total Temporary Loans		<u>14,199,000</u>
Total Direct Debt (5)		<u>\$21,156,000</u>

(1) *Principal amount only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability, and other post-employment benefits liability.*

(2) *At the present time, the normal general debt limit is \$153,999,665 and the double general debt limit is \$307,999,330.*

(3) *Supported by enterprise revenues.*

(4) *The current issue of Notes.*

(5) **\$12,199,000 principal amount of the Notes, has been excluded from the provisions of Proposition 2 ½.**

*\*Preliminary, subject to change.*

## **AUTHORIZED UNISSUED DEBT AND PROSPECTIVE FINANCING**

Following delivery of the Bonds, the Town will have \$15,100,000 authorized unissued long-term debt for the following purposes:

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Fire Substation	\$13,100,000
Landfill Capping	2,000,000

\$12,199,000 principal amount of the Notes is issued to temporarily finance a portion of the Fire Substation and is included in the figure above. \$2,000,000 principal amount of the Notes is issued to temporarily finance the Landfill Capping authorization and is included in the figure above. The Town plans to permanently finance these purposes within the next two years.

In addition to currently authorized debt, the Town will be considering authorization of \$1.1 million in borrowing for fire equipment at its May 2025 annual town meeting.

## **FIVE YEARS OUTSTANDING DEBT (1)**

	<b>As of June 30:</b>				
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<i>Within the General Debt Limit:</i>					
Buildings	\$ 1,395,000	\$ 1,620,000	\$ 1,845,000	\$ 720,000	\$ 1,215,000
Sewer	20,657	41,260	61,807	82,302	100,193
Total Within General Debt Limit	<u>\$ 1,415,657</u>	<u>\$ 1,661,260</u>	<u>\$ 1,906,807</u>	<u>\$ 802,302</u>	<u>\$ 1,315,193</u>
<i>Outside the General Debt Limit:</i>					
Sewer	\$ 923,385	\$ 1,045,110	\$ 1,164,438	\$ 1,281,415	\$ 2,136,088
Solid Waste/Landfill	0	0	47,500	95,000	142,500
Water	710,275	806,399	1,164,266	1,515,900	1,861,326
Other Outside	600,000	620,000	659,500	44,000	68,500
Total Outside General Debt Limit	<u>\$ 2,233,660</u>	<u>\$ 2,471,509</u>	<u>\$ 3,035,704</u>	<u>\$ 2,936,316</u>	<u>\$ 4,208,414</u>
Total Long Term Indebtedness	<u><u>\$ 3,649,317</u></u>	<u><u>\$ 4,132,769</u></u>	<u><u>\$ 4,942,512</u></u>	<u><u>\$ 3,738,618</u></u>	<u><u>\$ 5,523,607</u></u>
Debt As a Percentage of Assessed Value (2)	0.13%	0.17%	0.24%	0.22%	0.34%
Debt As a Percentage of Equalized Value (3)	0.16%	0.19%	0.28%	0.21%	0.34%
Per Capita Debt Using 2020 Census	\$ 273	\$ 309	\$ 370	\$ 280	\$ 413
Per Capita Debt as a percentage of per capita income	0.51%	0.58%	0.69%	0.52%	0.78%
Assessed Value(\$000)	\$ 2,830,320	\$ 2,425,025	\$ 2,091,861	\$ 1,671,186	\$ 1,620,152
Equalized Value(\$000)	\$ 2,225,215	\$ 2,225,215	\$ 1,794,498	\$ 1,794,498	\$ 1,610,445
2023 ACS Population Estimate	13,359	13,359	13,359	13,359	13,359
Per Capita Income (4)	\$ 53,336	\$ 53,336	\$ 53,336	\$ 53,336	\$ 53,336

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability, and other post-employment benefits.

(2) Source: Board of Assessors - Assessed valuation as of the prior January 1.

(3) Source: Massachusetts Department of Revenue - Equalized valuation in effect for that fiscal year (equalized valuations are established for January 1 of each even-numbered year).

(4) Source: Per Capita Income from U.S. Census Bureau. Used 2019-23 average, 2023 dollars.

## **ANNUAL DEBT SERVICE (1)(2)**

The following table presents debt service payable by the Town as of April 16, 2025:

<b>Fiscal Year</b>	<b>Outstanding as of April 16, 2025</b>		<b>This Issue*</b>		<b>Total Debt Service</b>	<b>Cumulative % Principal Retired (4)</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest (3)</b>		
2026	\$ 300,382	\$ 73,929	\$ 135,000	\$ 158,333	\$ 667,644	6.3%
2027	304,262	66,249	135,000	146,600	652,111	12.6
2028	313,221	58,366	135,000	141,200	647,787	19.0
2029	327,259	50,026	135,000	135,800	648,085	25.7
2030	331,378	41,355	135,000	130,400	638,133	32.4
2031	340,579	32,949	135,000	125,000	633,528	39.2
2032	100,000	26,900	130,000	119,600	376,500	42.5
2033	105,000	23,325	130,000	114,400	372,725	45.9
2034	105,000	20,175	130,000	109,200	364,375	49.3
2035	110,000	17,500	130,000	104,000	361,500	52.7
2036	110,000	15,300	130,000	98,800	354,100	56.2
2037	110,000	13,100	130,000	93,600	346,700	59.6
2038	115,000	10,850	130,000	88,400	344,250	63.1
2039	120,000	8,500	130,000	83,200	341,700	66.7
2040	120,000	6,100	130,000	78,000	334,100	70.3
2041	120,000	3,700	130,000	72,800	326,500	73.9
2042	125,000	1,250	130,000	67,600	323,850	77.6
2043	0	0	130,000	62,400	192,400	79.4
2044	0	0	130,000	57,200	187,200	81.3
2045	0	0	130,000	52,000	182,000	83.2
2046	0	0	130,000	46,800	176,800	85.1
2047	0	0	130,000	41,600	171,600	86.9
2048	0	0	130,000	36,400	166,400	88.8
2049	0	0	130,000	31,200	161,200	90.7
2050	0	0	130,000	26,000	156,000	92.5
2051	0	0	130,000	20,800	150,800	94.4
2052	0	0	130,000	15,600	145,600	96.3
2053	0	0	130,000	10,400	140,400	98.1
2054	0	0	130,000	5,200	135,200	100.0%
	<u>\$3,157,081</u>	<u>\$469,574</u>	<u>\$3,800,000</u>	<u>\$2,272,533</u>	<u>\$9,699,188</u>	

(1) Excludes revenue anticipation notes, grant anticipation notes, bond anticipation notes, lease and installment purchase obligations, overlapping debt, unfunded pension liability and other post-employment benefits liability.

(2) Principal totaling \$1,412,081 and interest totaling \$75,074 is expected to be self-supporting.

(3) Interest for the current issue is projected based on a 4.00% interest rate.

(4) Includes the current issue of Bonds

\*Preliminary, subject to change.

## **REVENUE ANTICIPATION BORROWING**

The Town has not borrowed in anticipation of revenue in any of the last five fiscal years.

## CONTRACTS

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interests, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases to enter into long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There may be implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private ,water companies.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities. The Town does not have an electric department.

Cities and towns are authorized to lease (as lessee) off-street parking facilities, school buildings, hospital equipment, data process equipment, energy conservation equipment and educational equipment for periods ranging up to 10 years. They may also lease equipment, with option to purchase, for a period up to 10 years. Contracts may also be made for the installment purchase of energy conservation equipment over a period up to 10 years. Cities and towns may also lease various properties as lessor.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The Town has a contract with Veolia for operation of the Town’s sewer treatment plant that currently expires on October 31, 2026. Fiscal 2024 expenditures for this purpose were \$754,799.48. The Town budgeted \$803,217 on the contract for fiscal 2025.

The Town of Southbridge supplies up to 500,000 gallons of water per day to users within the Town. This service has been provided under an Intermunicipal Agreement (“IMA”) between the Town and the Town of Southbridge. This IMA was originally executed in April 2009 and was most recently renewed in April 2015. This agreement will expire in 2040. The Town of Southbridge bills Charlton water users directly for their usage. (See “**WATER AND SEWER FUNDS**” herein.)

The Town has no other contracts of a material nature.

## OVERLAPPING DEBT (1)

	<u>Outstanding</u>	<u>Authorized Unissued</u>	<u>Assessment for Operations &amp; Debt Service 2025</u>
Dudley-Charlton Regional School District (2)	\$4,300,000	\$3,366,838	\$18,585,969
Southern Worcester County Regional Vocational Technical School District (3)	\$20,920,000	\$0	\$2,478,340

(1) Excludes temporary loans in anticipation of revenue. Omits debt of the Commonwealth.

(2) Source: Dudley-Charlton Regional School District. The District Members are the Towns of Dudley and Charlton. Charlton’s percentage share of outstanding debt of the District is 44.3%. Debt is as of April 16, 2025.

(3) In addition to the Town, the other members of the District are the Towns of Auburn, Dudley, North Brookfield, Oxford, Paxton, Rutland, Southbridge, Spencer, and Webster. **Charlton has excluded its assessment to pay debt service on the District’s bonds from the limitations of Proposition 2 ½.** Debt is as of April 16, 2025.



## **RETIREMENT PLAN**

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2030, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule. Pursuant to recent legislation, a system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. The Worcester Regional Retirement System has elected to extend its amortization schedule so that the liability is extinguished by June 30, 2040.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Substantially all full-time employees of the Town participate in the Worcester Regional Retirement System ("PERS"), a contributory retirement system that is partially funded by employee contributions. The Town meets its share of cost primarily on a pay-as-you-go basis by contributing annually the amount determined by the State Division of Insurance. The retirement system covers substantially all municipal employees except school teachers, whose pensions are paid by the Commonwealth.

The Town participates in the Worcester Regional Retirement System. The annual contributions to the retirement system for the most recent years and a budgeted figure for 2025 are set forth below:

<u>Fiscal Year</u>	<u>Amount</u>
2025 (budgeted)	\$2,402,000
2024	2,145,877
2023	1,879,744
2022	1,709,296
2021	1,519,170

As of January 1, 2024, the estimated total actuarial liability of the System was \$2,152,823,970. The assets of the System were \$1,116,901,886, leaving an estimated unfunded actuarial liability of \$1,035,922,084, based on a discount rate of 7.125 percent. The Town's share of this amount, based on its fiscal 2025 share of the appropriation to fund the unfunded liability, is approximately 2.443% percent of the total, or approximately \$25,310,851. The unfunded liability is intended to be fully amortized by 2036. Source: KMS Actuaries LLC, 2024, and can be reviewed at:

<https://www.wrrboard.org/treasurers/pages/actuarial-valuation>

### **Worcester Regional Retirement System Funding Schedule**

The following is the funding schedule for the Worcester Regional Retirement System:

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Amortization Payment of ERI 2002	Amortization Payment of ERI 2003	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2025	\$31,593,949	\$66,255,464	\$1,820,637	\$356,957	\$100,027,007		\$1,035,922,084
2026	31,973,587	75,730,520	1,902,567	373,020	109,979,694	9.95%	1,040,100,483
2027	31,495,798	87,048,890	1,988,182	389,806	120,922,676	9.95%	1,034,835,957
2028	32,272,465	98,197,019	2,077,649	407,348	132,954,481	9.95%	1,017,575,633
2029	33,131,849	113,051,604	-	-	146,183,453	9.95%	987,633,338
2030	33,956,866	126,771,841	-	-	160,728,707	9.95%	942,971,525
2031	34,772,103	141,949,106	-	-	176,721,209	9.95%	881,167,135
2032	35,659,181	158,645,789	-	-	194,304,970	9.95%	799,516,220
2033	36,562,365	177,075,951	-	-	213,638,316	9.95%	695,058,703
2034	37,551,682	197,343,645	-	-	234,895,327	9.95%	564,405,786
2035	38,441,454	215,721,925	-	-	254,163,379	8.20%	403,821,348
2036	39,366,898	224,350,801	-	-	263,717,699	3.76%	213,095,258

The foregoing data do not include the retirement system costs or liabilities attributable to employees of the county or the retirement system costs or liabilities of any other entity of which the Town is a constituent part.

## **OTHER POST-EMPLOYMENT BENEFITS**

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis. The service cost to the Town for such benefits for fiscal year 2024 was \$361,046.

The Governmental Accounting Standards Board (“GASB”) Statements Nos. 43 and 45 require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding such benefits, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Cities and towns that choose to self-insure all or a portion of the cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims, and Massachusetts General Laws were recently amended to provide cities and towns with legal authority to establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

GASB Statement No. 75 changed how the Town reports OPEB liabilities, beginning with the fiscal year ending June 30, 2018. Among other changes are the establishment of a total OPEB liability and other enhanced disclosures regarding OPEB.

The Town has performed an actuarial valuation of its other post-employment benefits. As of July 1, 2022 actuarial valuation date (the most recent date available), the Town had 176 participants in other post-employment benefits, of whom 112 are active employees and 64 are retired employees and surviving spouses. As of June 30, 2024, the total OPEB liability was \$8,621,996 assuming a discount rate of 6.50%. The OPEB Trust Fund had \$2,987,398 as of that date. The net OPEB liability was \$5,634,598. The Town generally makes annual contributions to the OPEB Trust Fund.

## **PROPERTY TAXATION AND VALUATION**

**Tax Rate and Valuation - General.** Property is classified for the purpose of taxation according to its use. The legislature has in substance created four classes of taxable property: (1) residential real property, (2) open space land, (3) commercial and (4) industrial. Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 35 percent of the valuation of residential real property (where used as the taxpayer’s principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every five years, or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property.

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes her own redetermination of the fair cash value of the taxable property in each municipality. This is known as the “equalized valuation” (see [Debt Limits](#) herein).

## **VALUATIONS (1)**

The following shows the assessed and equalized valuations for the most recent fiscal years:

	<b>Fiscal Year Ending June 30: (\$000)</b>				
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Real Property (1)	\$ 2,769,248	\$ 2,519,687	\$ 2,190,914	\$ 1,890,367	\$ 1,563,981
Personal Property (1)	385,827	310,633	234,111	201,494	107,205
Total Assessed Value	<u>\$ 3,155,075</u>	<u>\$ 2,830,320</u>	<u>\$ 2,425,025</u>	<u>\$ 2,091,861</u>	<u>\$ 1,671,186</u>
Equalized Value (2)	\$ 3,079,993	\$ 2,225,215	\$ 2,225,215	\$ 1,794,498	\$ 1,794,498
Percent of Total Assessed Value to Equalized Value	102.44%	127.19%	108.98%	116.57%	93.13%

(1) As of January 1 of Prior Fiscal Year.

(2) Based on the equalized valuation in effect for each year as determined every even numbered year by State Department of Revenue.

## **Classification of Property (1)**

The following table shows the breakdown of the total assessed valuation for fiscal years 2023 through 2025 by classification:

	<b>Fiscal Year Ending June 30: (\$000)</b>					
	<b><u>2025</u></b>		<b><u>2024</u></b>		<b><u>2023</u></b>	
	<u>Valuation</u>	<u>% of Total</u>	<u>Valuation</u>	<u>% of Total</u>	<u>Valuation</u>	<u>% of Total</u>
Residential	\$2,251,537	71.36	\$2,109,351	74.53	\$1,889,336	77.91
Open Space	0	0.00	0	0.00	0	0.00
Commercial	119,417	3.78	112,963	3.99	104,057	4.29
Industrial	398,295	12.62	297,373	10.51	197,522	8.15
Personal	385,827	12.23	310,633	10.98	234,111	9.65
Total	<u>\$3,155,075</u>	<u>100.00%</u>	<u>\$2,830,320</u>	<u>100.00%</u>	<u>\$2,425,025</u>	<u>100.00%</u>

(1) Source: Massachusetts Department of Revenue.

## **Tax Rates (1)**

The following shows the actual tax rates per \$1,000 of assessed valuation, the average tax rate and the estimated full value rate based on the equalized valuation in effect for the current and most recent fiscal years:

<b><u>Fiscal Year</u></b>	<b><u>Residential</u></b>	<b><u>Open Space</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Personal Property</u></b>	<b><u>Average Tax Rate</u></b>	<b><u>Full Value Tax Rate (2)</u></b>
2025	11.13	0.00	11.13	11.13	11.13	11.13	11.40
2024	11.34	0.00	11.34	11.34	11.34	11.34	14.42
2023	12.17	0.00	12.17	12.17	12.17	12.17	13.26
2022	13.29	0.00	13.29	13.29	13.29	13.29	15.49
2021	15.01	0.00	15.01	15.01	15.01	15.01	13.98

(1) Source: Massachusetts Department of Revenue.

(2) Based on the equalized valuation in effect for each year.

## **LARGEST TAXPAYERS (1)**

The following shows the ten largest taxpayers for fiscal 2025:

<b><u>Name</u></b>	<b><u>Nature of Business / Property Use</u></b>	<b><u>Total Assessed Valuation for 2025</u></b>	<b><u>Amount of Tax (1)</u></b>	<b><u>Percent of Total Levy</u></b>
USRE Patriot	E-Commerce	\$149,972,200	\$1,669,190.59	4.75
Northeast Energy Center	Liquefied Natural Gas	117,048,270	1,302,747.25	3.71
MCI Communications	Telecommunication	107,767,300	1,199,450.05	3.42
New England Power Company (2)	Electrical Power	98,801,060	1,099,655.80	3.13
Millennium Power	Natural Gas Power Plant	65,989,000	734,457.57	2.09
Overlook Communities Inc.	Senior Living/Nursing	43,559,290	484,814.90	1.38
Massachusetts Electric	Electrical Power	34,135,810	379,931.56	1.08
Landreau Realty/Treehouse	Brewery	21,308,300	237,161.38	0.68
Tennessee Gas Pipeline	Natural Gas Distribution	15,731,800	175,094.93	0.50
LFB USA Inc.	Medical Research	11,420,700	137,112.39	0.39
<b>Total</b>		<b><u>\$665,733,730</u></b>	<b><u>\$7,419,616.42</u></b>	<b><u>21.13%</u></b>

(1) All listed taxpayers are current on their real and personal property taxes.

(2) Includes only taxable portion of property.

## **TAX LEVIES**

**Levy-General.** The principal tax of Massachusetts cities and towns is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits see “Tax Limitations” herein. As to the inclusion of debt service and final judgments, see Security and Remedies herein.

The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the “free cash” as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements (see “Abatements and Overlay” herein) no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see “Taxation to Meet Deficits” herein).

**Taxation to Meet Deficits.** As noted elsewhere (see “Abatements and Overlay” herein) overlay deficits, i.e. tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e. those resulting from non-property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates and certain established salaries, e.g. civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

In the opinion of Bond Counsel, cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as “free cash” deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

**Tax Limitations.** Chapter 59, Section 21C of the General Laws, also known as Proposition 2½, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year's valuation.

This “growth” limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the “growth” limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the Select Board of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund. The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit “to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year”.

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue.

**The Town has voted to exclude the debt service on \$12,199,000 principal amount on the current issue of Notes from the limitations of Proposition 2 ½, subject to the provisions of Chapter 44, Section 20, of the General Laws.**

It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay (i) costs of issuance and/or (ii) project costs.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures. In addition, the city council of a city, with the approval of the mayor if required, or the Select Board or the town council of a Town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality's sewer or water charges are reduced accordingly.

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA, and certain districts for which special legislation provides otherwise) to the sum of (a) 2.50 percent of the prior year's assessments and

(b) “any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option”. Regional water districts, regional sewerage districts and regional veteran districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district's governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under the statute any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulation imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

**Pledged Taxes.** Taxes on certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes (see “Tax Increment Financing for Development Districts” herein).

**Initiative Petitions.** Various proposals have been made in recent years for legislative amendments to the Massachusetts Constitution to impose limits on state and local taxes. To be adopted such amendments must be approved by two successive legislatures and then by the voters at a state election.

### **CALCULATION OF TAX LEVIES AND LEVY LIMITS**

The following table shows the details of the calculation of the tax levies for the current and most recent fiscal years (1):

	<b>Fiscal Year Ending June 30: (\$000)</b>				
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Gross Amount to be Raised					
Appropriations	\$ 46,711	\$ 44,789	\$ 40,999	\$ 36,931	\$ 35,185
Other Local Expenditures	40	35	35	27	20
State and County Charges	116	117	124	129	91
Overlay Reserve	318	195	148	157	376
Total Amount to be Raised	<u>\$ 47,185</u>	<u>\$ 45,136</u>	<u>\$ 41,306</u>	<u>\$ 37,244</u>	<u>\$ 35,672</u>
Less Estimated Receipts From:					
State	1,916	1,858	1,799	1,700	1,603
Local	5,636	6,906	5,491	4,629	5,768
Available Funds Appropriated:					
Free Cash	2,712	2,929	2,499	1,680	1,458
Other Available Funds	1,804	1,347	2,004	1,435	1,759
Free Cash & Other Revenue Used to Reduce the Tax Rate	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Estimated Receipts and Revenue	<u>12,069</u>	<u>13,040</u>	<u>11,793</u>	<u>9,443</u>	<u>10,588</u>
Net Amount to be Raised (Tax Levy)	<u>\$ 35,116</u>	<u>\$ 32,096</u>	<u>\$ 29,513</u>	<u>\$ 27,801</u>	<u>\$ 25,084</u>

(1) Source: Massachusetts Department of Revenue.

The following shows the calculation of levy limits for the current and most recent fiscal years:

	Fiscal Year Ending June 30: (\$000)				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Primary Levy Limit (1)	\$ 78,877	\$ 70,758	\$ 60,626	\$ 52,297	\$ 41,780
Prior Fiscal Year Levy Limit	32,370	29,071*	27,364*	24,225	23,014
2.5% Levy Growth	809	727	684	606	575
New Growth (2)	2,506	2,572	1,026	2,533	636
Overrides	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Growth Levy Limit	35,685	32,370	29,074	27,364	24,225
Current Fiscal Year Debt Exclusions	435	463	439	448	868
Capital Expenditure Exclusion	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tax Levy Limit	36,120	32,832	29,513	27,812	25,094
Tax Levy	35,116	32,096	29,513	27,801	25,084
Unused Levy Capacity (3)	<u>1,004</u>	<u>736</u>	<u>0</u>	<u>11</u>	<u>9</u>
Unused Primary Levy Capacity (4)	<u>\$ 43,192</u>	<u>\$ 38,388</u>	<u>\$ 31,552</u>	<u>\$ 24,933</u>	<u>\$ 17,554</u>

(1) 2.5% of assessed valuation

(2) Allowed increase for new valuations - certified by Department of Revenue

(3) Tax Levy Limit less Tax Levy

(4) Primary Levy Limit less Growth Levy Limit

\* Recalculated due to certification of retroactive growth.

## **TAX COLLECTIONS AND ABATEMENTS**

**Payment Dates.** The taxes for each fiscal year generally are due in two installments on November 1 (subject to deferral if tax bills are sent out late) and May 1, unless a city or town accepts a statute providing for quarterly tax payments. Under the statute, preliminary tax payments are to be due on August 1 and November 1 with payment of the actual tax bill (after credit is given for the preliminary payments) in installments on February 1 and May 1 if actual tax bills are mailed by December 31. The Town voted to implement quarterly tax billing as of July 1, 1991. Interest accrues on delinquent taxes at the rate of 14 per cent per annum.

**Lien.** Real property (land and buildings) is subject to a lien for the taxes assessed upon it subject to any paramount federal lien and subject to bankruptcy and insolvency laws. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) If the property has been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment.

**Personal Liability.** The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws.) In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described in "Taking and Sale" herein.



The following shows the total tax levy, the reserve for abatements, the net levy and the amounts collected during each fiscal year for the most recent fiscal years:

	<b>Fiscal Year Ending June 30: (\$000)</b>				
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Total Tax levy	\$ 35,116	\$ 32,096	\$ 29,513	\$ 27,801	\$ 25,084
Overlay Reserve for Abatements	<u>318</u>	<u>195</u>	<u>148</u>	<u>157</u>	<u>376</u>
Net Tax Levy (1)	<u>\$ 34,798</u>	<u>\$ 31,901</u>	<u>\$ 29,364</u>	<u>\$ 27,643</u>	<u>\$ 24,708</u>
Amount Collected					
During Fiscal Year Payable (2)	\$ 24,139	\$ 31,628	\$ 28,871	\$ 27,643	\$ 24,478
Percent of Net Tax Levy	69.37%	99.14%	98.32%	100.00%	99.07%

(1) Net after deduction of overlay reserve for abatements.

(2) Actual collections of levy less refunds and amounts refundable. Includes proceeds of tax titles and tax possessions attributed to levy but not including abatements or other credits. As of February 1, 2025 for fiscal 2025.

**Abatements and Overlay.** A city or town is authorized to increase each tax levy by an amount approved by the State Commissioner of Revenue as an “overlay” to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is required to be added to the next tax levy.

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue. But uncollected real property taxes are ordinarily not written off until they become municipal “tax titles” by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

The following shows the abatements granted during the fiscal year for the most recent fiscal years: (1)

	<b>Fiscal Year Ending June 30: (\$000)</b>				
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Total Tax levy	\$ 35,116	\$ 32,096	\$ 29,513	\$ 27,801	\$ 25,084
Overlay Reserve for Abatements	\$ 318	\$ 195	\$ 148	\$ 157	\$ 376
Percent of Tax Levy	0.90%	0.61%	0.50%	0.57%	1.50%
Abatements Granted:					
During Fiscal Year of Levy (2)	\$ 0	\$ 124	\$ 157	\$ 171	\$ 120

(1) Source: Massachusetts Department of Revenue.

(2) As of February 1, 2025 for fiscal 2025.

**Taking and Sale.** Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for nonpayment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within 12 months (which may be extended in the case of certain installment payments), it can be foreclosed by petition to the Land Court. Upon foreclosure, a tax title purchased or taken by the municipality becomes a “tax possession” and may be held and disposed of in the same manner as other land held for municipal purposes. The municipality must notify the former property owner of its intent to retain possession of or sell the property, as well as any “excess equity” (i.e., any remaining surplus amount above taxes, fees, and charges owed to or incurred by the municipality) the former owner may be entitled to in either case. The former owner may submit a claim for return of any excess equity within 18 months of being notified. Any excess equity not yet returned to the former owner must be held in a separate interest-bearing account.

Former owners of property foreclosed upon on or before May 24, 2021 are not eligible to submit claims for return of excess equity. At this time, it is not clear whether such owners may be able to make constitutional claims for return of excess equity outside of the statutory scheme concerning property foreclosed upon before May 24, 2021.

**Sale of Tax Receivables.** Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk.

## **TAXES OUTSTANDING (1)**

	<b>For Fiscal Year (000)</b>				
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Aggregate	\$501	\$830	\$463	\$427	\$402
For Current Year	345	519	463	283	397
Tax Titles	711	484	543	576	381
Tax Possessions	85	85	85	70*	118

*(1) Excludes tax titles, tax possessions and abated taxes. Includes taxes in litigation, if any.*

*\* Accounts updated with correct taking information/prior sales*

## **TOWN FINANCES**

### **Budget and Appropriation Process**

The annual appropriations of the Town are ordinarily made at the annual meeting, which takes place in May. Appropriations may also be voted at special meetings. The Finance Committee (also the Select Board) is required to submit reports and recommendations on proposed expenditures at the annual town meeting.

Under certain circumstances and subject to certain limits and requirements, the city council of a city, upon the recommendation of the mayor, may transfer amounts appropriated for the use of one department (except for a municipal light department or a school department) to another appropriation for the same department or for the use of any other department. In a town, town meeting may at any time vote to transfer any amount previously appropriated to any other authorized use by law, and, under certain circumstances and subject to certain limits and requirements, the selectmen of a town, with the concurrence of the finance committee, may transfer amounts appropriated for the use of any department to any other appropriation for the same department or to any other department.

Water and sewer department expenditures are included in the budgets adopted by town meetings but electric and gas department funds may be appropriated by the municipal light boards. Under legislation enacted in 1981 any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. It is assumed that this general provision does not alter the pre-existing power of an electric or gas department to appropriate its own receipts.

The school budget is limited to the total amount appropriated by the town meeting, but the school committee retains full power to allocate the funds appropriated. State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs and may affect the level of State aid to be received for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. In fiscal 1994 through budgeted 2025, the Town's net school spending exceeded the minimum required local contribution for the Dudley-Charlton Regional School District, but not for the Southern Worcester Country Regional Vocational School District.

State and county assessments, the overlay for abatements in excess of overlays, principal and interest not otherwise provided for and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy. (See Property Taxation and Valuation herein.)

## **BUDGET COMPARISON**

The following table sets forth the general governmental budgets for fiscal years 2021 through 2025:

	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
General Government	\$ 8,844,530	\$ 8,095,051	\$ 7,714,850	\$ 6,992,950	\$ 6,698,648
Public Safety	6,901,730	6,552,168	5,813,199	5,349,500	5,064,705
Human Services	425,143	406,183	657,400	676,200	410,457
Education	21,064,457	19,987,522	17,713,100	16,602,800	16,019,876
Public Works	1,913,370	1,739,200	1,658,900	1,580,600	1,467,827
Culture and Recreation	623,200	594,043	576,629	540,100	522,546
Debt Service	630,150	615,375	752,400	649,500	955,295
Water (1)	97,700	92,900	94,500	96,800	176,442
Sewer (2)	<u>1,597,380</u>	<u>1,596,839</u>	<u>1,468,600</u>	<u>1,305,100</u>	<u>2,091,384</u>
Total	<u>\$42,097,660</u>	<u>\$39,679,281</u>	<u>\$36,449,578</u>	<u>\$33,793,550</u>	<u>\$33,407,180</u>

(1) General Fund supported.

(2) Enterprise Fund supported

## **STATE AID**

In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. The formulas for determining a municipality's state aid entitlement are subject to amendment by the state legislature, and while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

In the fall of 1986, legislation was enacted placing limits on the growth of state tax revenues. In essence, the growth in state tax revenue is limited to the average rate of growth in wages and salaries in the Commonwealth over the previous three calendar years. The effect of this legislation could be to restrict the amount of state tax revenue available to provide state financial assistance to the Commonwealth's cities, towns and regional school districts.

The following table sets forth the amount of state aid to the Town in recent years as well as the amount estimated for 2025:

<b><u>Fiscal Year</u></b>	<b><u>State Aid</u></b>
2025 (estimated)	\$1,916,116
2024	1,858,355
2023	1,799,172
2022	1,699,645
2021	1,607,544
2020	1,633,545

## **STATE SCHOOL BUILDING ASSISTANCE PROGRAM**

Under its school building assistance program, The Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

The range of reimbursement rates for new project grant applications submitted to the Authority is between 31% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

## **MOTOR VEHICLE EXCISE**

An excise is imposed on the registration of motor vehicles (subject to exemptions) at the rate of \$25 per \$1,000 of valuation. The excise is collected by and for the benefit of the municipality in which the motor vehicle is customarily kept. Valuations are determined by a statutory formula based on manufacturer's list price and year of manufacture. Bills not paid when due bear interest at 12 percent per annum. Provision is also made, after notice to the owner, for suspension of the owner's operating license or registration by the registrar of motor vehicles.

The following table shows the actual receipts from the motor vehicle excise in each of the most recent years and the amount budgeted for fiscal 2025:

<b><u>Fiscal Year</u></b>	<b><u>Excise Tax</u></b>
2025 (estimated)	\$2,035,000
2024	2,481,840
2023	2,416,713
2022	1,575,626
2021	2,342,748
2020	2,255,407

## **WATER AND SEWER FUNDS**

The Town operates enterprise funds and stabilization accounts to account for the financial operations of its water and sewer systems. The systems are governed by a separately elected Water and Sewer Commission subject to appropriations by Town Meeting.

The water system is owned by the town and operated by the Town of Southbridge under an intermunicipal agreement executed in 2009, and renewed in 2015. Under that agreement, Southbridge provides a maximum of 500,000 gallons per day to Charlton. The water system currently serves approximately 420 customers in the Town, but is expanding. This expansion has been supported by the proceeds of funds paid by oil companies to settle claims related to contamination of ground water by Methyl Tertiary Butyl Ether (MTBE), including from one of the service plazas on the Massachusetts Turnpike. The Town most recently received MTBE settlement money totaling over \$8 million in fiscal 2017. In addition to funding expansion of the Town's water system, it also reimbursed betterments paid by users and to reimburse the Town's general fund for expenditures made on the water system.

To the extent that water debt and other expenditures are not supported by the MTBE settlements, Chapter 326 of the Acts of 2012 gives the Town the authority to assess betterments on water users for 50 percent of the pro rata share of capital costs for water projects. Any deficiency in MTBE or betterment funds relative to water debt service would be made up within the Town's budget within its Proposition 2 ½ levy limit or from the water stabilization fund which as of January 31 2025 has a balance of \$3,677,114.

The sewer system is owned by the Town and operated by Veolia Water North America under an Operations Agreement. The Town currently serves approximately 686 sewer customers in the Town and is also expanding service. The sewer customers are billed by the Water and Sewer Commission for their sewer usage. The current sewer debt of \$799,213 is paid fully by sewer user fees.

The following are sewer enterprise fund revenues (operating and non-operating excluding interest expense) for the five most recent fiscal years.

<b><u>Fiscal Year</u></b>	<b><u>Receipts</u></b>
2025*	\$1,062,690
2024	2,244,123
2023	2,288,642
2022	1,794,228
2021	1,995,183
2020	1,398,819

*\*FY25 through January 31, 2025.*

## **COMMUNITY PRESERVATION ACT**

The Massachusetts Community Preservation Act (the "CPA") permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and community housing, and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the

municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see “*Tax Limitations*” under “PROPERTY TAX” above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge on the real property tax levy and any other revenue dedicated pursuant to the CPA. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on real property taxes, the amounts of other dedicated revenues and the amounts received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for community housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and other dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The Town has not accepted the Community Preservation Act.

## **OTHER TAXES**

Four additional sources of revenue for local governments are the room occupancy excise tax, local meals excise tax, aviation fuel tax and the marijuana tax. All of these taxes take effect only where accepted by individual municipalities. Under the room occupancy excise tax, local governments may tax the provision of hotel, motel, lodging house and bed and breakfast rooms at a rate not to exceed six and one-half percent of the cost of renting such rooms. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located.

The local meals excise tax, effective for sales of restaurant meals on or after October 1, 2009, is a three-fourths percent tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold. The Town adopted the local meals excise tax on January 1, 2011.

The aviation fuel tax is a five percent tax (with a minimum of five cents per gallon) on the sale or use of jet fuel to or by jet aircraft. The tax is paid by the seller/user of the fuel to the Commissioner of Revenue, who in turn rebates the tax to the municipality in which the fuel being taxed was transferred into an aircraft. At present, only the City of Boston has approved the imposition of this tax.

Under the marijuana tax, local governments may tax the sale and transfer of marijuana or marijuana products by a marijuana retailer operating within its territorial limits to anyone other than a marijuana establishment, at a rate not in excess of three percent of the total sale price received by the marijuana retailer as a consideration for the sale of marijuana or marijuana projects. The town currently has one recreational and medical facility that opened in November of 2019.

The following are collections of meals excise tax for the most recent fiscal years and the amount budgeted for fiscal 2025:

<u>Fiscal Year</u>	<u>Collections</u>
2025 (budgeted)	\$210,000
2024	259,343
2023	241,156
2022	205,176
2021	137,034
2020	202,328

The following are collections of marijuana excise tax for the most recent fiscal years and the amount budgeted for fiscal 2025:

<u>Fiscal Year</u>	<u>Collections</u>
2025 (budgeted)	\$130,000
2024	207,961
2023	167,847
2022	159,709
2021	140,651
2020	93,655

### **TAX INCREMENT FINANCING FOR DEVELOPMENT DISTRICTS**

Cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town’s development program for the district. This includes pledging such “tax increments” for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2½.

The Town has entered into a tax increment financing agreement for development of a 2.8 million square foot distribution center for Amazon. The agreement covers the real property on the site and has a term of 10 years, ending in fiscal 2035. (See “**PHYSICAL AND ECONOMIC CHARACTERISTICS – Amazon**” herein.)

### **UNASSIGNED GENERAL FUND BALANCE AND FREE CASH**

The following shows the unassigned general fund balance and free cash for the most recent fiscal years:

<u>July 1,</u>	<u>Unassigned General Fund Balance</u>	<u>Free Cash</u>
2024	\$10,330,516	\$3,266,417
2023	8,028,693	3,208,209
2022	6,807,110	2,887,779
2021	4,821,846	1,697,143
2020	4,145,821	1,749,505

## **STABILIZATION FUNDS**

The Town maintains three Stabilization Funds: General Stabilization Fund, a Capital Stabilization fund, a Water Stabilization Fund, and a Sewer Stabilization Fund. Under Massachusetts statutes, funds may be appropriated from these funds for any municipal purpose by two thirds vote of the town meeting. The following are the balances in the General Stabilization Fund at the end of the most recent fiscal years:

<b><u>Fiscal Year</u></b>	<b><u>Balance</u></b>
2024	\$3,681,346
2023	3,008,356
2022	2,673,079
2021	1,580,502
2020	1,325,465

The General Stabilization Fund is accounted as unassigned general fund balance.

As of June 30, 2024, the Town had a balance of \$1,724,881 in its Capital Stabilization Fund.

The following are the balances in the Water Stabilization Fund at the end of the most recent fiscal years:

<b><u>Fiscal Year</u></b>	<b><u>Balance</u></b>
2024	\$4,374,304
2023	4,073,115
2022	3,758,464
2021	3,656,951
2020	3,624,308

The Water Stabilization Fund is accounted in the Water Enterprise Fund.

The following are the balances in the Sewer Stabilization Fund at the end of the most recent fiscal years:

<b><u>Fiscal Year</u></b>	<b><u>Balance</u></b>
2024	\$5,494,449
2023	3,325,830
2022	2,652,519
2021	2,078,739
2020	1,647,035

The Sewer Stabilization Fund is accounted in the Sewer Enterprise Fund.

## **INVESTMENTS**

Investments of funds of cities and towns, 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 deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government of 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, or in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares of SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

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.



Trust funds, unless otherwise provided by the donor, may be invested in accordance with section 54 of Chapter 44 of the General Laws, which permits a broader range of investments than section 55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by sections 54 and 55 do not apply to city and town retirement systems.

**COLLECTIVE BARGAINING**

Under Massachusetts Law, strikes by municipal employees are prohibited. Employees of Massachusetts municipalities have certain organizational and representational rights which include the right to organize, to bargain collectively by representatives of their choice on questions of wages, hours and other terms and conditions of employment, and to engage in lawful concerted activities for bargaining or other mutual aid or protection.

The Town has approximately 233 full time and part-time employees<sup>(1)</sup> of which approximately 25 percent belong to unions or other collective bargaining groups as follows:

<u>Union</u>	<u>Department</u>	<u>Number of People</u>	<u>Contract Expires</u>
Charlton Permanent Firefighters Association			
Local 4023, IAFF, PFMM, AFL_CIO_CLC	Firefighters	25	6/30/2025
Charlton Police Alliance	Police	28	6/30/2024 <sup>(2)</sup>
Charlton Highway Department	Highway	<u>10</u>	6/30/2025
		<u>63</u>	

(1) This number includes Traffic Controllers, who only work police details that are paid by the contractor who requested the police detail.

(2) This contract is currently still in negotiation as of 2/1/25.

**PHYSICAL AND ECONOMIC CHARACTERISTICS**

The Town of Charlton, Massachusetts, located in Worcester County (central Massachusetts), was incorporated in 1755. Encompassing 44 square miles, the Town is approximately 10 miles from Worcester, 35 miles east of Springfield, and 50 miles from Boston.

The Town’s history includes James Capen Adams (1807-1860), better known as “Grizzly” Adams. Adams was born and lived most of his life in Charlton, but lived his last eight years in the Rocky Mountains of the western United States as a “mountain man”. He came to fame as a member of P.T. Barnum’s traveling troupe fighting and performing with grizzly bears. He is buried in the Old Burying Ground in Charlton.

Major highways serving the Town include U.S. Route 20 and state Routes 31 and 169. The Massachusetts Turnpike (I-90), which passes through the Town, is accessible to the west in the adjacent town of Sturbridge and to the east in the nearby town of Auburn. Interstate 84 is accessible from the Massachusetts Turnpike in Sturbridge. Interstates 290 and 395 are accessible in Auburn.

Charlton’s location – within commuting distance of Worcester, Springfield, Hartford, and to a lesser extent Boston and Providence – has spurred significant growth in population, income, wealth, and other economic activity in the past twenty years. Population has grown from 9,576 in 1990 to 13,315 in 2020 (U.S Census).

## **Principal Employers**

Other than the Town itself, the following are the principal employers located in the Town

<b><u>Company</u></b>	<b><u>Nature of Business</u></b>	<b><u>Current Employees</u></b>
Amazon	E-Commerce	1,000+
Overlook Communities	Assisted Living Nursing Home	1,000+
Karl Storz	Medical Device Manufacturing	500
Dudley-Charlton RSD	Public School District	200-447
Bay Path RVSD	Public Vocational Education	100-249

*(1) Source: The Town and Infogroup; figures may not fully reflect the impact of the COVID-19 pandemic.*

### **Amazon**

Amazon is a global leader in e-commerce, cloud computing, artificial intelligence, and digital streaming services. Founded in 1994 by Jeff Bezos in Seattle, Washington, it originally began as an online bookstore before rapidly expanding into various product categories, including electronics, apparel, and groceries. Amazon is known for its fast delivery services, including Amazon Prime, which offers members benefits like free shipping, streaming content, and exclusive deals.

Amazon has recently launched a state-of-the-art 2.8-million-square-foot distribution center in Charlton, marking the first of its kind in the town. This impressive five-story facility, strategically located between the Route 20 and Route 169 corridors, has been operational for several months. The center employs over 1,000 full-time workers and is supported by an advanced fleet of 5,000 robots, showcasing Amazon's commitment to automation and innovation.

The facility is designed for high efficiency, with 49 loading docks, 265 trailer parking spaces, and 1,250 car parking stalls. It is expected to generate approximately 4,000 vehicle trips daily. As operations ramp up in the coming years, these numbers are anticipated to rise significantly, further solidifying Amazon's presence in the region and contributing to the local economy.

### **Overlook Communities**

The Overlook Community provides retirement living on 450 acres. The Community is one of the finest retirement communities in Massachusetts. The Overlook attracts people from all around for the spectacular setting and spacious and elegant residences, exceptional dining options, indoor heated pool, fitness center, game room, woodworking shop, art studio, salon, on-site gift, and convenience stores.

The Overlook Continuing Care Retirement Community includes a 112 bed Skilled Nursing Facility including respite and memory care units (Level 4 Care), a 220-unit independent living facility and a Performing Arts Center. The taxable portion includes the 220-unit independent living facility, The Performing Arts Center and a proportionate section of the land area including 10 cottages and 200 one- and two-bedroom apartments.

With its 450-acre backyard, the campus makes it easy to host family and friends (including the furry ones) with full-service catering and multiple dining venues, and welcoming outdoor gathering spaces with options to picnic, garden, hike, cross-country ski, play tennis, or putting.

### **Millenium Power Project**

Millenium Power Partners, L.P. ("Millenium Power") operates a natural gas powered electric generation facility in Charlton. Total capacity of the facility is 360 MW. This facility has been in operation since April 2001. Its estimated taxable value is approximately \$172 million. Under Chapter 462 of the Massachusetts Acts of 1996, Millenium Power made annual payments to the Town in lieu of property taxes from fiscal 2002 until fiscal 2021. From fiscal 2017 to 2021, these payments were \$700,000 per year.

Beginning in fiscal 2022, the facility will pay real estate and personal property taxes based on its full and fair cash value. The Town estimates that the fiscal 2025 levy on the facility will total approximately \$735,000.

### **Building Permits**

<b>Calendar Year</b>	<b><u>Residential</u></b>		<b><u>Commercial/Industrial</u></b>	
	<b><u>Number</u></b>	<b><u>Estimated Value</u></b>	<b><u>Number</u></b>	<b><u>Estimated Value</u></b>
2024	47	\$14,477,567	53	\$14,054,843
2023	35	9,193,424	17	11,962,241
2022 (1)	38	8,035,013	26	270,446,818
2021	20	6,508,005	4	1,752,080
2020	34	10,710,000	8	7,728,100

(1) Includes building permits for an Amazon warehouse totaling \$246,961,475, of which \$198,000,000 was for the building.

### **OTHER DATA**

#### **Employment Data**

<b>Year</b>	<b>Labor Force</b>	<b>Employed</b>	<b><u>Unemployment Rate</u></b>			
			<b>Town</b>	<b>County</b>	<b>State</b>	<b>U.S.</b>
2024 (1)	8,395	8,076	3.8 %	4.3 %	4.1 %	4.1 %
2023	8,071	7,821	3.1	3.5	3.4	3.6
2022	8,078	7,796	3.5	3.8	3.7	3.6
2021	8,038	7,641	4.9	5.5	5.5	5.3
2020	7,995	7,389	7.6	9.2	9.4	8.1
2019	8,288	8,032	3.1	3.3	3.0	3.7

(1) Month of December, not seasonally adjusted for Town and County.

Sources: Mass. Executive Office of Labor and Workforce Development (Town, County) and U.S. Bureau of Labor Statistics (State, U.S.)

#### **Public School Enrollments**

	<b><u>Actual</u></b>				
	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
Total	<u>1,743</u>	<u>1,840</u>	<u>1,788</u>	<u>1,694</u>	<u>1,741</u>

Source: Dudley-Charlton Regional School District

## **Employment by Industry**

<b>Industry</b>	<b>Establishments</b>	<b>Average Employment</b>	<b>Average Weekly Wage (\$)</b>
Total, All Industries	396	4,379	1,156
Construction	80	486	1,520
Manufacturing	16	1,139	1,286
Utilities	5	100	1,901
Wholesale Trade	12	115	1,402
Retail Trade	30	352	801
Transportation and Warehousing	11	91	1,087
Information	8	44	1,524
Finance and Insurance	10	40	1,355
Real Estate and Rental and Leasing	8	26	1,960
Professional and Technical Services	29	79	1,269
Administrative and Waste Services	25	86	1,084
Educational Services	9	485	1,216
Health Care and Social Assistance	99	702	950
Arts, Entertainment, and Recreation	6	53	311
Accommodation and Food Services	19	313	422
Other Services, Except Public Administration	17	87	763
Public Administration	9	145	1,760

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*Source: Mass. Dept of Economic Research, Executive Office of Labor and Workforce Development, 2023 Data*

## **OTHER DATA**

	<b>Charlton</b>	<b>Massachusetts</b>	<b>United States</b>
Recent Population Estimate (2023)	13,391	7,001,399	334,914,895
Census Population:			
2020	13,315	7,029,917	331,449,281
2010	12,981	6,547,629	308,745,538
2000	11,263	6,349,097	281,421,906
1990	9,576	6,016,425	248,709,873
Inter-Census Population Growth:			
2020	2.57%	7.37%	7.35%
2010	15.25%	3.13%	9.71%
2000	17.62%	5.53%	13.15%
Population Per Square Mile:			
2020	316	901	94
2010	308	839	87
Median Age:			
2023	43.5	40.3	39.2
Persons under 18 years, 2023	24.5%	19.2%	21.7%
Persons over 65 years, 2023	17.3%	18.5%	17.7%
Persons per Household	2.66	2.45	2.54
Annual Median Household Income:			
2019-23 Average (in 2023 dollars)	\$119,809	\$101,341	\$78,538
Annual Per Capita Income:			
2019-23 Average (in 2023 dollars)	\$53,336	\$56,284	\$43,289
Total Retail Sales Per Capita, 2022	\$8,736	\$21,938	\$20,928
Median value of owner-occupied housing units, 2019-23	\$405,200	\$525,800	\$303,400
In civilian labor force, age 16+, 2019-23	65.1%	67.1%	63.0%
High School Graduate or Higher, age 25+, 2019-23	93.5%	91.4%	89.4%
Bachelor's Degree or Higher, age 25+, 2019-23	37.7%	46.6%	35.0%
Owner-occupied housing unit rate, 2019-23	83.1%	62.6%	65.0%
Persons in Poverty (2023)	3.3%	10.4%	11.1%

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*Source: U.S. Census Bureau*

## **LITIGATION**

At present there are a number of suits pending in which the Town is a defendant. In the opinion of the Town, there is no litigation, either pending or threatened, which is considered likely to result, either individually or in the aggregate, in final judgments which would materially affect the Town's financial position.

**TOWN OF CHARLTON  
Massachusetts**

By: /s/ Virginia Porter  
Treasurer

Dated: March 26, 2025

## **APPENDIX A**

The following Balance Sheets and Combined Statements of Revenues, Expenditures and Changes in Fund Balance for June 30, 2020 through 2024 are taken from the audited financial statements of the Town. The audit statement for June 30, 2024 prepared by Roselli, Clark & Associates, Certified Public Accountants, is reproduced in Appendix B.

**TOWN OF CHARLTON  
MASSACHUSETTS  
BALANCE SHEET (1)  
GENERAL FUND  
June 30,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets:					
Cash and Equivalents	\$ 8,389,883	\$ 8,668,699	\$ 7,498,395	\$5,577,888	\$4,048,287
Investments	7,065,009	3,796,618	2,673,079	1,669,696	1,304,002
Receivables:					
Property Taxes	501,654	830,416	602,334	593,027	675,191
Tax Liens & Foreclosures	0	0	0	676,912	682,986
Motor Vehicle Excise and Other	1,077,722	826,604	904,080	244,252	219,262
Less: Allowance for Abatements	0	0	0	0	(453,284)
Less: Allowance for Uncollectables	0	0	0	0	(76,077)
Due from Other Governments	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,079</u>	<u>2,979</u>
Total Assets	<u>\$17,034,268</u>	<u>\$14,122,337</u>	<u>\$11,677,888</u>	<u>\$8,769,854</u>	<u>\$6,403,346</u>
Liabilities:					
Warrants & Accounts Payable	1,052,190	622,116	368,711	192,532	225,001
Accrued Payroll and Withholdings	164,480	151,079	128,319	0	0
Other Accrued Liabilities	0	0	0	192,767	233,266
Due to other funds	0	0	0	0	0
Other Liabilities	<u>1,296,910</u>	<u>731,430</u>	<u>924,323</u>	<u>700,817</u>	<u>36,610</u>
Total Liabilities	<u>2,513,580</u>	<u>1,504,625</u>	<u>1,421,350</u>	<u>1,086,116</u>	<u>494,877</u>
Deferred Inflow of Resources	1,579,376	1,657,020	1,506,414	1,514,191	912,016
Fund Balances:					
Restricted	35,274	37,358	41,233	45,463	50,304
Committed	2,449,968	2,148,452	1,437,163	1,183,078	0
Assigned	125,554	746,189	464,618	119,160	800,328
Unassigned	<u>10,330,516</u>	<u>8,028,693</u>	<u>6,807,110</u>	<u>4,821,846</u>	<u>4,145,821</u>
Total Equity & Other Credits	<u>12,941,312</u>	<u>10,960,692</u>	<u>8,750,124</u>	<u>6,169,547</u>	<u>4,996,453</u>
Total Liabilities & Equity	<u>\$17,034,268</u>	<u>\$14,122,337</u>	<u>\$11,677,888</u>	<u>\$8,769,854</u>	<u>\$6,403,346</u>

(1) Fiscal 2021 through 2024 extracted from the Town's financial statements as audited by Roselli, Clark & Associates. Fiscal 2020 extracted from the Town's financial statements as audited by Bill Fraher, CPA.



**TOWN OF CHARLTON  
MASSACHUSETTS  
Combined Statements of Revenues, Expenditures and changes in Fund Balances (1)  
June 30,**

	<u><b>2024</b></u>	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>
Revenues:					
Property Taxes	\$32,176,720	\$29,212,351	\$27,844,367	\$24,878,063	\$24,094,900
Excise Taxes & Other Taxes	2,953,148	2,830,918	2,735,538	2,629,874	2,482,952
Penalties and Interest on Taxes	173,878	123,754	146,126	149,352	0
Departmental Charges for Services	466,739	428,397	442,378	396,465	303,132
Licenses & Permits	872,970	1,206,842	837,989	210,833	289,740
Intergovernmental	1,826,378	1,783,806	1,693,051	1,629,512	1,585,885
Payments in Lieu of Taxes	1,910	14,460	3,304	707,471	700,000
Fees & Miscellaneous	0	0	0	0	20,976
Fines	67,261	64,523	62,604	52,801	81,628
Earnings on Investments	<u>591,430</u>	<u>238,442</u>	<u>12,623</u>	<u>119,284</u>	<u>19,950</u>
Total Revenues	<u>\$39,130,434</u>	<u>\$35,903,493</u>	<u>\$33,777,980</u>	<u>\$30,773,655</u>	<u>\$29,579,163</u>
Expenditures:					
General Government	3,799,826	3,904,990	3,747,459	3,091,062	3,025,892
Public Safety	7,531,804	6,056,500	3,583,666	5,096,235	5,389,623
Public Works	2,136,225	2,123,043	1,797,196	1,745,595	1,733,248
Human Services	701,112	550,101	452,321	387,760	343,213
Culture & Recreation	631,924	593,634	535,471	523,708	475,127
Intergovernmental	116,808	124,061	128,766	90,726	86,076
Pension and Fringe Benefits	4,136,144	3,978,154	3,525,806	3,300,572	0
Employee Benefits	0	0	0	0	3,027,017
Education	19,235,137	17,445,979	16,600,695	15,916,863	15,613,989
Other	0	0	0	0	340,167
Debt Service	<u>343,585</u>	<u>411,306</u>	<u>318,450</u>	<u>646,534</u>	<u>781,755</u>
Total Expenditures	<u>\$38,632,565</u>	<u>\$35,187,768</u>	<u>\$32,689,850</u>	<u>\$30,799,055</u>	<u>\$30,816,107</u>
Excess (deficiency) of Revenues Over Expenditures	497,867	715,725	1,088,130	(25,400)	(1,236,944)
Other Financing Sources (Uses):					
Transfers In	1,792,255	1,815,843	1,765,168	1,656,754	1,446,979
Transfers Out	<u>(309,504)</u>	<u>(321,000)</u>	<u>(272,721)</u>	<u>(458,260)</u>	<u>(460,576)</u>
Total Other Financing	<u>1,482,751</u>	<u>1,494,843</u>	<u>1,492,447</u>	<u>1,198,494</u>	<u>986,403</u>
Net Changes in fund balances	1,980,620	2,210,568	2,580,577	1,173,094	(250,541)
Fund Balances Beginning, as previously stated	<u>\$10,960,692</u>	<u>\$ 8,750,124</u>	<u>\$ 6,169,547</u>	<u>\$ 4,996,453</u>	<u>\$ 5,246,994</u>
Fund Balances Ending	<u>\$12,941,312</u>	<u>\$10,960,692</u>	<u>\$ 8,750,124</u>	<u>\$ 6,169,547</u>	<u>\$ 4,996,453</u>

(1) Fiscal 2021 through 2024 extracted from the Town's financial statements as audited by Roselli, Clark & Associates. Fiscal 2020 extracted from the Town's financial statements as audited by Bill Fraher, CPA.

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## **APPENDIX B**

There follows in this Appendix audited financial statements for the fiscal year ended June 30, 2024, as prepared by Roselli, Clark & Associates, Certified Public Accountants.

The attached report speaks only as of its date, and only to matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix B. Except as stated in their report, the auditors have not been engaged to verify the financial information set forth in Appendix B and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in Appendix B.

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# TOWN OF CHARLTON, MASSACHUSETTS



**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
For the Fiscal Year  
July 1, 2023 – June 30, 2024**





On the cover and below: The Bay Path Cemetery under a rainbow. Established in 1764 and expanded in 1812, the remains of many of Charlton's noble citizens are buried here including Boston Tea Party participant, John Spurr, spiritualist, Hiram Marble, and John Capen Adams, Mountain Man known as Grizzly Adams (see below).



*Town of Charlton, Massachusetts*



**Annual Comprehensive Financial Report**

**For the Fiscal Year  
July 1, 2023 through June 30, 2024**

Andrew Golas, Town Administrator  
Ashley Obrzut, Finance Director

*Prepared by the Finance Department*





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**TOWN OF CHARLTON, MASSACHUSETTS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2024**

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# TOWN OF CHARLTON, MASSACHUSETTS

## ANNUAL COMPREHENSIVE FINANCIAL REPORT YEAR ENDED JUNE 30, 2024

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# INTRODUCTORY SECTION



Above: South Charlton Reservoir lined with trees on a foggy morning



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# Town of Charlton Select Board

Peter Lancette, Chair  
William Borowski, Vice Chair  
Babara Zurawski, Clerk  
Stephen Koronis  
David Singer



37 Main Street  
Charlton, Massachusetts 01507

Telephone (508) 248-2200  
Facimile (508) 248-2374

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Andrew M. Golas  
Town Administrator

## Letter of Transmittal

January 31, 2025

Honorable Select Board and Citizens of the Town of Charlton, Massachusetts:

We are pleased to acknowledge that the Town of Charlton has completed its inaugural installment of the *Annual Comprehensive Financial Report* (ACFR). The report, which was prepared by the Town's Department of Finance, is for the fiscal year ended June 30, 2024; and we are proud to be one of only about 50 communities in Massachusetts to accomplish this. We are confident this transmission will be the beginning of what will be an important annual endeavor.

The Town is responsible for the accuracy, completeness and fairness of the data presented in the ACFR. This letter of transmittal and the **management's discussion and analysis**, located in the financial section of the ACFR, provide a comprehensive financial overview of the Town and ensure that the financial and general operations of Town government remain transparent, and therefore open for easy viewing.

The ACFR represents a complete set of financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP), that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This ACFR meets and exceeds those requirements and presents itself as an informative resource for all those interested in the financial activities of the Town.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and rating agencies as well as its citizens and taxpayers.

Since the report consists of management's representations concerning the finances of the Town, management assumes full responsibility for the completeness and reliability of all of the information presented. In addition, management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Charlton's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Town's financial statements have been audited by Roselli, Clark and Associates, a firm of licensed certified public accountants. The goal of the annual independent audit is to provide reasonable assurance that the financial statements of the Town are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2024 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements; with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Charlton's separately issued Single Audit Reports pursuant to Title 2 US "Code of Federal Regulations" (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards".

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

### **Profile of the Town**

The Town of Charlton was incorporated in 1755. The Town is located in central Massachusetts in Worcester County approximately 15 miles west of Worcester, 35 miles east of Springfield, 45 miles northeast of Hartford, Connecticut, and 50 miles west of Boston. The Town covers an area of approximately 43.8 square

miles and is bordered on the north by the Towns of Leicester and Spencer, on the west by the Towns of East Brookfield and Sturbridge, on the east by the Town of Oxford, and on the south by the Towns of Southbridge and Dudley.

The Massachusetts Turnpike (I-90) passes through the Town and is accessible in Sturbridge and Auburn. U.S. Route 20, a major east-west highway, also passes through the

Town. Interstate 84 is also accessible in Sturbridge. The primary commercial airport serving the Town is Bradley International Airport in Windsor Locks, Connecticut, which is approximately a 40 minute drive from the Town. Commuter rail service is available to Boston via the MBTA with a station in Worcester. Commuter rail service to Hartford, New Haven, and points south is available via CTRail with a station in Springfield. Amtrak passenger rail service is also available in Springfield and Worcester.



Charlton was first settled in 1735. It was established as a District separated from Oxford on January 10, 1755, and became a Town on August 23, 1775, by a law that made all Districts into Towns to help for the cause of the Revolutionary War. It was named after Sir Francis Charlton (4th Baronet). During the 1800s, farming continued to be the major occupation, but woolen mills were being built along some of the town's brooks by the turn of the twentieth century.

The Town operates under the Select Board, Town Administrator and open Town Meeting form of government. The five elected Select Board members make policy decisions, and the Town Administrator is responsible for carrying out and enforcing the policies of the Select Board and for managing the day-to-day operations of the Town.

An annual operating budget is approved by Town Meeting in May. This annual budget serves as the foundation for the Town's financial planning and control. The budget is prepared by fund, function (e.g. general government), department (e.g. finance) and category (e.g. Personnel Services, Purchase of Services, Supplies, Other Charges & Expenses) allowing the department heads to allocate resources within the department. Transfers between categories need approval from Town Meeting unless specifically exempted by state statute.

The Town offers a full range of traditional municipal services including police and fire protection, education (through regional school districts), maintenance of streets and sidewalks, Council on Aging, library, cemetery, parks and recreational facilities. Water and sewer utility services are provided via user charges through the Town's Water and Sewer Enterprise Funds.

### **Factors Affecting Economic Condition**

**Industry** The Town's employment base is well diversified with 393 establishments covering 17 different industries. Manufacturing represents 24% of the Town's private employment in over 15 establishments and thus is an important component of the Town's economy. The Town's largest employers are Overlook Communities an assisted living nursing facility and Karl Storz a medical device manufacturer.

**Property Taxes** The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden through a ballot vote by the voters. While revenue increases have been limited in recent years, fixed costs, including health insurance and pension costs, have increased more proportionally.

Approximately 71% of the Town's property taxes are derived from residential taxes therefore new growth is essential to revenue growth and the ability to sustain the Town's annual costs. As a result, balancing the annual budget can be a challenge. Given its geographical location the Town does not have a large commercial and industrial property tax-base, so it relies heavily on residential property taxes.

There are currently three large projects in various stages of development that, when completed, are expected to surpass the Town's current top ten taxpayers and employers, a 2.8 million square foot Amazon facility, a liquefied natural gas facility and a 1.3 million square foot warehouse facility. The liquefied natural gas facility should be fully operational by fiscal year 2025. The Amazon facility is projected to increase the Tax Revenue base by \$2.4 Million in year one of full operation with structured annual increases for 10 years based on a Tax Increment Financing Agreement (TIF) between the developer and the Town.

The 1.3 million square foot warehouse broke ground in calendar 2024. In addition to bringing in more revenue for the Town, the new 2.8 million square foot Amazon building under construction on route 20

is anticipated to also bring in some economic development to the area as well. In that regard, the Town has begun to see land sales and proposals that will impact the area over the next few years.

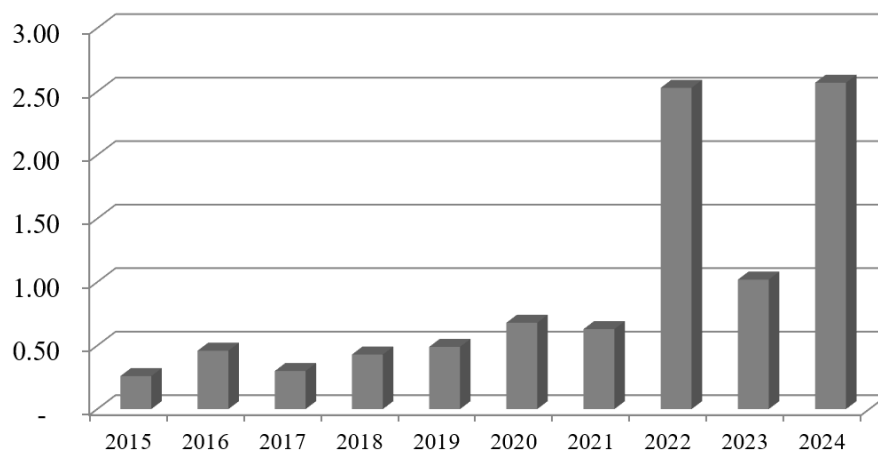
The following table summarizes the Town's permit activity and related impact on equalized valuation and new growth over the past 5 years:

Table 1

Calendar Year	# of Permits	Residential Value	Non-Residential Value	Total Value
2023	52	\$ 9,193,424	\$ 11,962,241	\$ 21,155,665
2022	64	8,035,013	270,446,818	278,481,831
2021	24	6,508,005	1,752,080	8,260,085
2020	42	10,710,000	7,728,100	18,438,100
2019	38	7,700,000	8,884,384	16,584,384
2018	38	8,000,000	9,716,300	17,716,300
Total	118	\$ 50,146,442	\$ 310,489,923	\$ 360,636,365

Growth has been much stronger than expected with nearly \$400 million dollars added to the Town's equalized valuation (market value) during this period. This represents over \$4 million in taxes for the Town annually. The calendar 2022 activity relates to the Amazon facility.

### New Growth (in millions - tax dollars)



Also, as discussed previously, the Town's largest employer, the Overlook Community, provides retirement living on 450 acres. The Community is one of the finest retirement communities in Massachusetts. The Overlook attracts people from all around for the spectacular setting and spacious and elegant residences, exceptional dining options, indoor heated pool, fitness center, game room, woodworking shop, art studio, salon, on-site gift, and convenience stores. The Overlook Continuing Care Retirement Community includes a 112 bed Skilled Nursing Facility including respite and memory care units (Level 4 Care), a 220-unit independent living facility and a Performing Arts Center. The taxable portion includes the 220-unit independent living facility, the Performing Arts Center and a proportionate section of the land area including 10 cottages and 200 one- and two-bedroom apartments. With its 450-acre backyard, the campus makes it easy to host family and friends with full-service catering

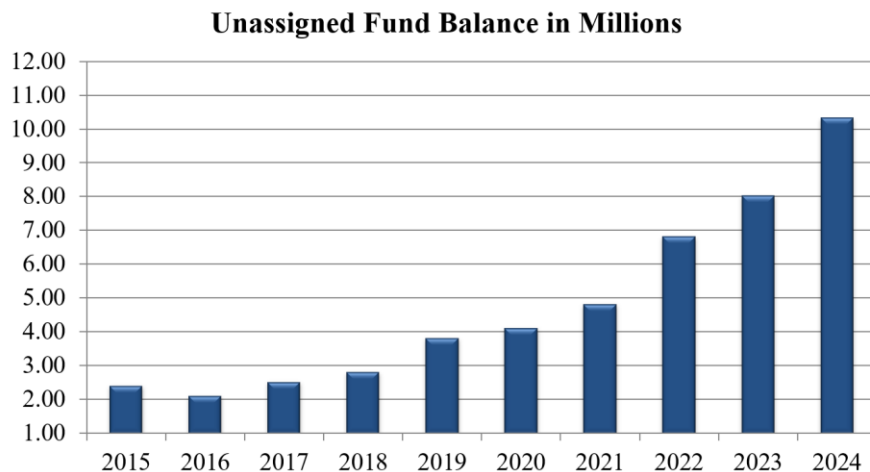


and multiple dining venues, and welcoming outdoor gathering spaces with options to picnic, garden, hike, cross-country ski, play tennis, or putting.



Photo Credit: Overlook Community Website

**Unassigned Fund Balances** One of the methods the Town uses to maintain reserves from year to year is to conservatively forecast revenues. This allows the Town to use free cash (surplus) for reserves, capital projects or other non-operating one-time expenses, and as a result, the Town has been able to maintain and/or increase reserves from year to year. The following illustrates the Town's unassigned fund balance trend for the last 10 years.



## Long-term Financial Planning

The Town prepares rolling five-year operating budget projections. The Town believes this will (1) provide better insight when preparing annual budgets; (2) alert the Town to any potential budget issues far ahead of when these situations become real; and (3) allow the Town to determine when available financing for its capital needs can be provided or if a need for borrowing to finance projects is required.

The following represents the Town's five-year revenue projection; real and personal property tax projections do not include debt exclusions:

	2025	2026	2027	2028	2029
Real Estate and Personal Property Taxes	\$ 35,115,987	\$ 37,325,633	\$ 38,702,555	\$ 40,013,900	\$ 41,358,029
Intergovernmental Revenue - Local Aid	1,912,660	1,957,258	2,002,970	2,049,826	2,097,853
Local Receipts	2,770,214	2,837,254	2,906,177	2,977,039	3,049,902
Total Revenues	<b>\$ 39,798,861</b>	<b>\$ 42,120,145</b>	<b>\$ 43,611,702</b>	<b>\$ 45,040,765</b>	<b>\$ 46,505,784</b>

The Town projects revenues for budgetary purposes in a conservative manner, and typically does not tax to its levy limit, therefore the Town expects that annual budget sources as forecasted will be sufficient to fund annual appropriations.

## Capital Improvements

The Town continues to invest in capital as needed. This has been completed through free cash appropriations, bond issuances, and Federal and State grants.

In the last decade, the Town has invested over \$20 million in improving facilities and adding infrastructure including an \$8 million dollar library, a \$3 million dollar sewer plant upgrade, \$8 million in water improvements, three new ambulances, a Pierce pumper, and multiple improvements to roads and sidewalks through the State Chapter 90 Program.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. This is a very prestigious award and in order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

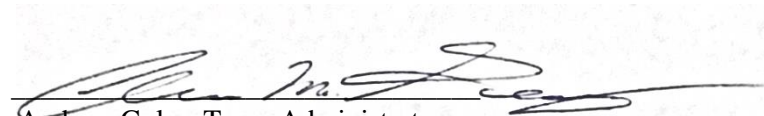
A Certificate of Achievement is valid for a period of one year only. We believe that our first annual comprehensive financial report will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for this certificate.

This is Charlton's first submission to the GFOA requesting a review of its annual comprehensive financial report for consideration of this award. This was a large undertaking for the Finance Director and Town Administrator and we are confident that our report meets the guidelines for award established by the GFOA.

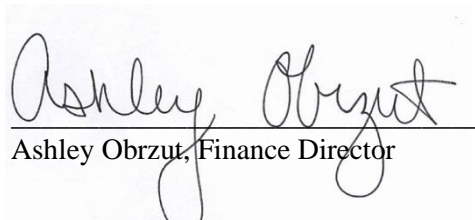
The publication of this annual comprehensive financial report represents an important achievement in the ability of the Town of Charlton to provide enhanced financial information and accountability to its citizens, elected and appointed officials, and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the Finance team.

Special thanks also goes to the certified public accounting firm of Roselli, Clark and Associates for their advice and assistance in the preparation of this report.

Respectfully Submitted,



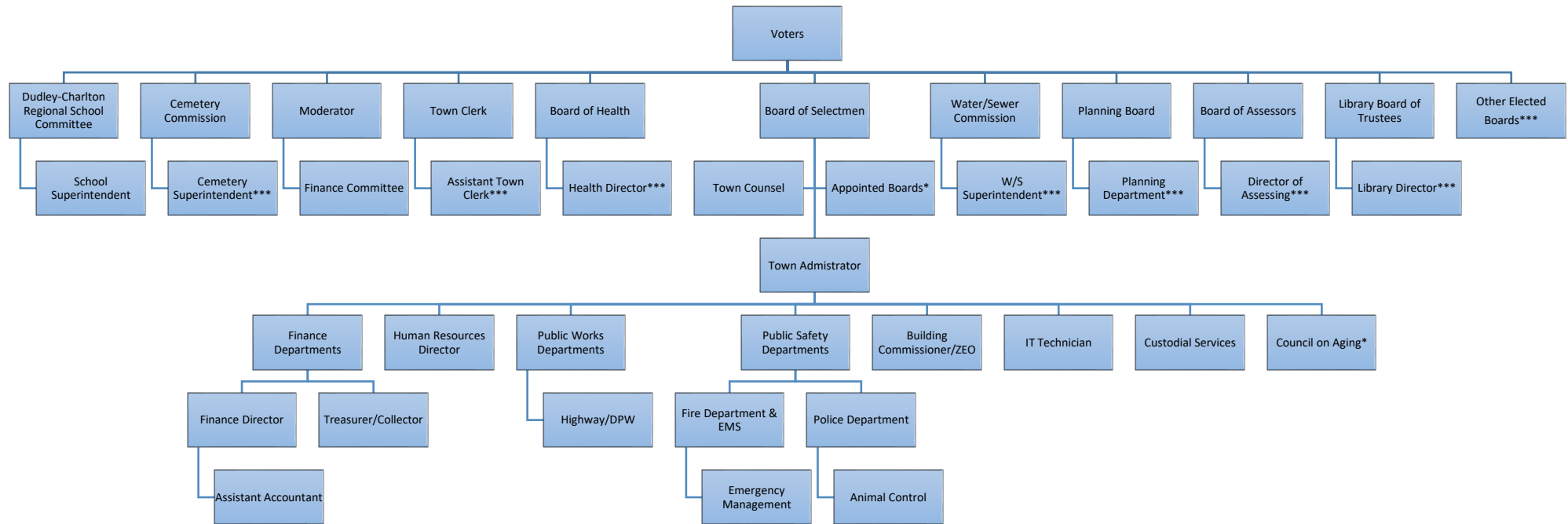
Andrew Golas, Town Administrator



Ashley Obrzut, Finance Director



# Town of Charlton – Organizational Chart



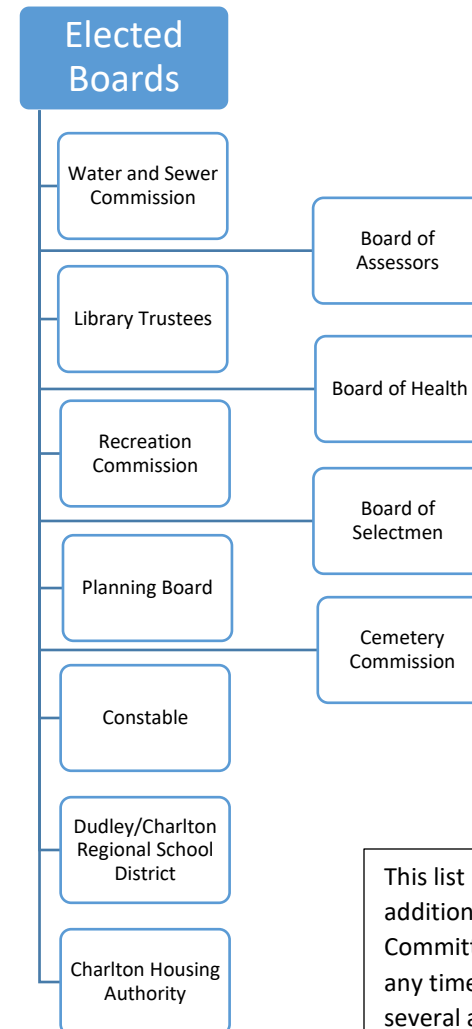
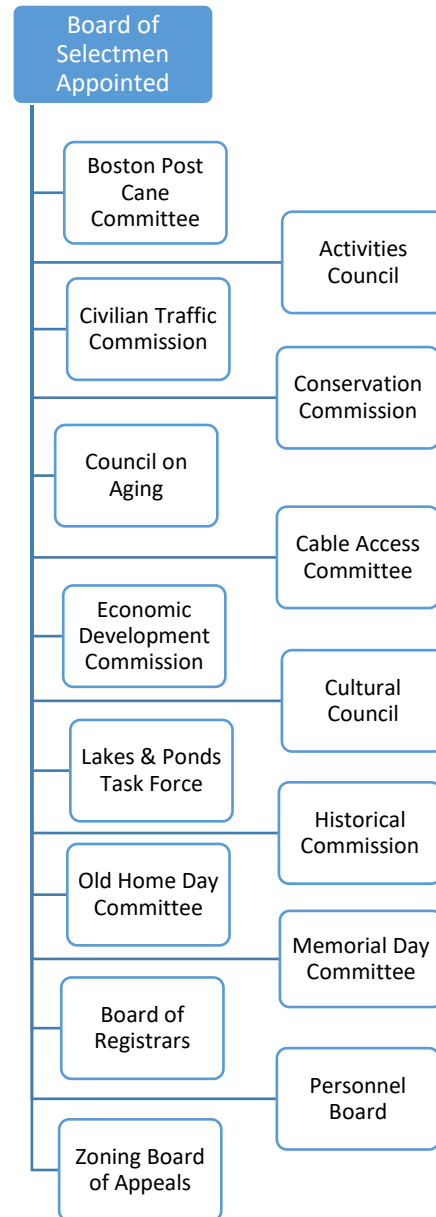
## **\*Appointed Boards**

Some departments receive general policy direction from appointed boards but staff report to the Town Administrator.

## **\*\*\*Appointed Staff**

Some Elected Boards appoint their staff. All Appointed Staff are subject to Chapter 220 of the Charlton Bylaws relative to Personnel Policies and Procedures.

# Town of Charlton – Boards and Committees



This list is an overview. In addition to the Boards and Committees listed here, at any time there may also exist several ad hoc committees formed by various bodies to study specific issues. A complete listing can be found in the Annual Town Report.



## PRINCIPAL TOWN OFFICIALS

### SELECT BOARD



Left to right: David Singer, Board Member, Peter Lancette, Chair, Bill Borowski, Vice Chair, Barbara Zurawski, Clerk, Stephen Koronis, Board Member, Andrew Golas, Town Administrator

## PRINCIPAL TOWN OFFICIALS

### Elected Officials

Town Clerk

Karen LaCroix

### Principal Executive Officers

Town Administrator

Andrew M. Golas

Finance Director/Town Accountant

Ashley Obrzut

Treasurer/Collector

Virginia Porter

Town Counsel

Robert Hennigan

### Appointed Officials

Finance Committee

Henry Camosse Jr., Chair

Kristen Lemire

Jeremy Foskett

Raymond Belsito

Keith Johnson

Jamie Terry



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# FINANCIAL SECTION



A recent practice that has become very popular is the use of resource dogs to provide physical and mental assistance to young school children who are in some stage of distress. Above is Milkshake, the Town's resource dog with her handler, Officer Jennifer Burdett.



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**ROSELLI, CLARK & ASSOCIATES**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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Woburn, MA 01801

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**INDEPENDENT AUDITORS' REPORT**

Honorable Select Board  
Charlton, Massachusetts

**Opinion**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Charlton, Massachusetts, (the Town) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis of Opinion**

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

**Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Roselli, Clark & Associates*

Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
January 31, 2025





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## **Management's Discussion and Analysis**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the Town of Charlton, Massachusetts (The Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with their review of the basic financial statements, notes to the basic financial statements and required supplementary information found in this report.

### **Financial Highlights**

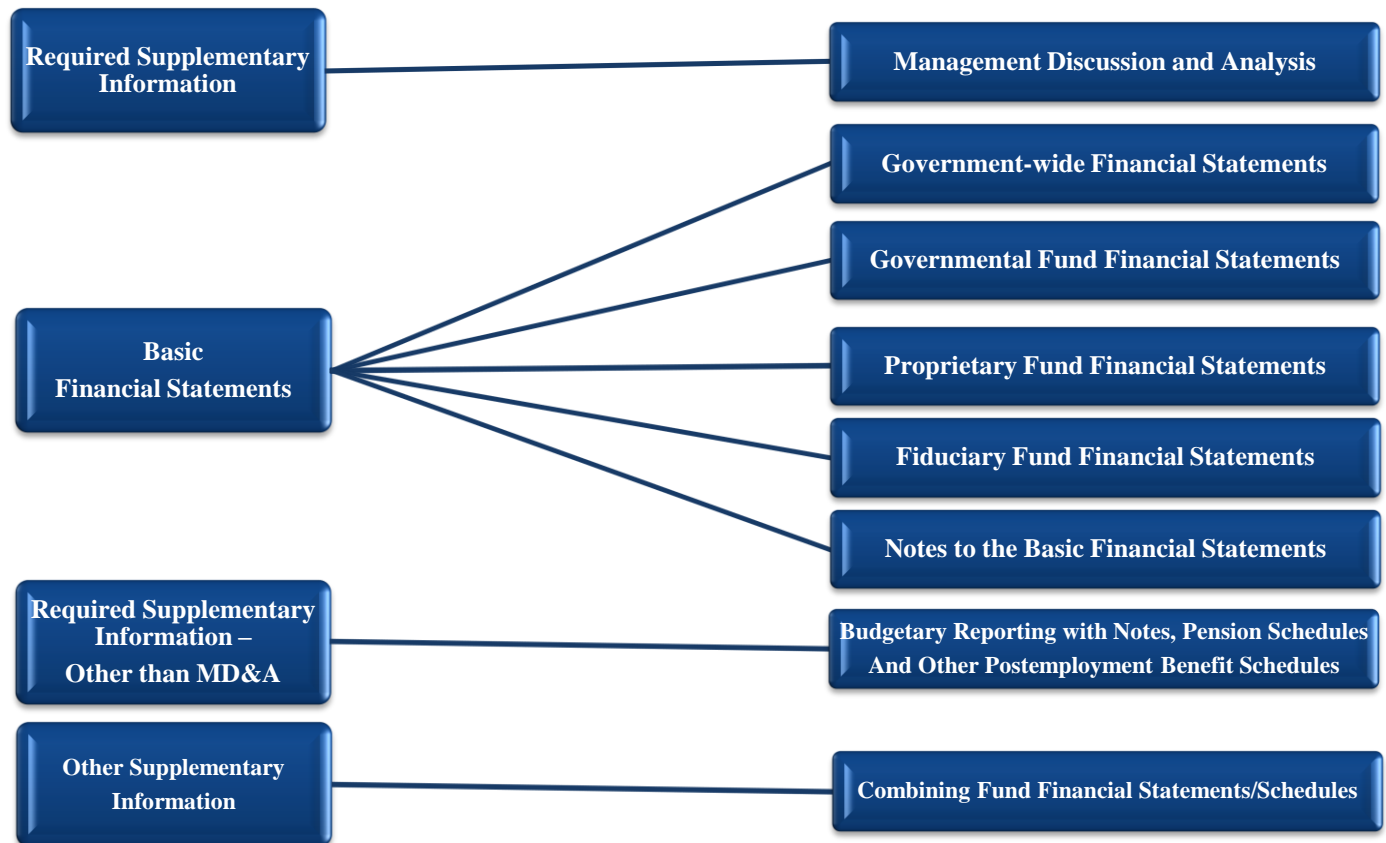
- The assets and deferred outflows of financial resources of the Town exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by over \$58.3 million (*total net position*). Almost \$23.8 million represented net position of governmental activities and nearly \$34.6 million represented net position of the business-type activities.
- The government's total net position increased by approximately \$2.7 million which was isolated almost completely to governmental activities as the business-type activities were relatively flat as compared to the prior year.
- The Town's Unassigned Fund Balance reported in the General Fund was approximately \$10.3 million (about 26.7% of General Fund expenditures), while total fund balance in the General Fund was over \$12.9 million (33.5% of General Fund expenditures).
- The Town reported restricted fund balances of approximately \$0.4 million, and \$6.4 million, in the Capital Projects Fund, and the combined Nonmajor Governmental Funds, respectively. Approximately \$0.4 is included as nonspendable in the Nonmajor Governmental Funds and deficits of nearly \$0.4 million and less than \$0.1 million is reported as unassigned in the Capital Projects Fund and combine Nonmajor Governmental Funds respectively.
- The Town's debt (including premium) decreased by nearly \$0.4 million. Details of the transactions that contributed to this change are summarized in the long-term debt section of this Management, Discussion and Analysis.

### **Overview of the Financial Statements**

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

The layout and relationship of the financial statements and supplementary information is visually illustrated in the diagram on the following page.





**Government-wide Financial Statements** – The *government-wide financial statements* are designed to provide readers with a broad overview of the Town’s finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the Town’s assets, deferred outflows, liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town 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 government-wide financial statements distinguish functions of the Town 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 of the Town include general government, public safety, highways and streets, education, health and human services, sewer services, debt service, fringe benefits and culture and recreation. The business-type activities of the Town are comprised of the separate water and sewer utility services funds.

**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. The Town, like other state

and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Accounting guidelines distinguish fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Restricted—amounts constrained by external parties, constitutional provision, or enabling legislation
- Committed—amounts constrained by a government using its highest level of decision-making authority
- Assigned—amounts a government intends to use for a particular purpose
- Unassigned—amounts that are not constrained at all will be reported in the general fund or in other major funds if negative

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The Town maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these Nonmajor governmental funds is provided in the form of combining statements.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. This schedule has been prepared as required supplementary information and can be found along with the corresponding notes after the footnotes to the financial statements.

**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 Proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The Town uses a proprietary fund to account for its separate water and sewer utility funds.

**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 statement

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 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.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning:

- The Town's proportionate share of net pension liability (NPL)
- Contributions to its pension plan
- The Schedule of Net Other Postemployment Benefits Liability and Related Ratios,
- The Schedule of Contributions to its Other Postemployment Benefits Plan
- The Schedule of Investment Returns – Other Postemployment Benefits Plan
- The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund and notes to this schedule.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by over \$58.3 million at the close of the most recent fiscal year.

Data regarding net position is presented as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	June 30,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
<b><u>Assets</u></b>						
Current and other assets	\$ 26,168,153	\$ 25,203,329	\$ 16,042,959	\$ 14,504,658	\$ 42,211,112	\$ 39,707,987
Capital assets, net	38,709,848	38,807,508	20,224,032	20,948,666	58,933,880	59,756,174
Total assets	64,878,001	64,010,837	36,266,991	35,453,324	101,144,992	99,464,161
<b><u>Deferred Outflows of Resources</u></b>	5,380,193	5,316,418	124,543	115,612	5,504,736	5,432,030
<b><u>Liabilities</u></b>						
Long-term liabilities	36,868,845	35,621,736	1,521,794	1,626,620	38,390,639	37,248,356
Other liabilities	4,474,944	5,870,934	233,383	211,167	4,708,327	6,082,101
Total liabilities	41,343,789	41,492,670	1,755,177	1,837,787	43,098,966	43,330,457
<b><u>Deferred Inflows of Resources</u></b>	5,162,410	5,874,115	54,062	64,180	5,216,472	5,938,295
<b><u>Net Position</u></b>						
Net investment in capital assets	36,844,896	36,185,074	19,279,989	19,862,296	56,124,885	56,047,370
Restricted	7,192,799	6,744,149	-	-	7,192,799	6,744,149
Unrestricted	(20,285,700)	(20,968,753)	15,302,306	13,804,673	(4,983,394)	(7,164,080)
Total Net Position	\$ 23,751,995	\$ 21,960,470	\$ 34,582,295	\$ 33,666,969	\$ 58,334,290	\$ 55,627,439

By far, the largest portion (over \$56.1 million) of the Town's net position reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, 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 Town's net position (nearly \$7.2 million) represents resources that are subject to external restriction on how they may be used.

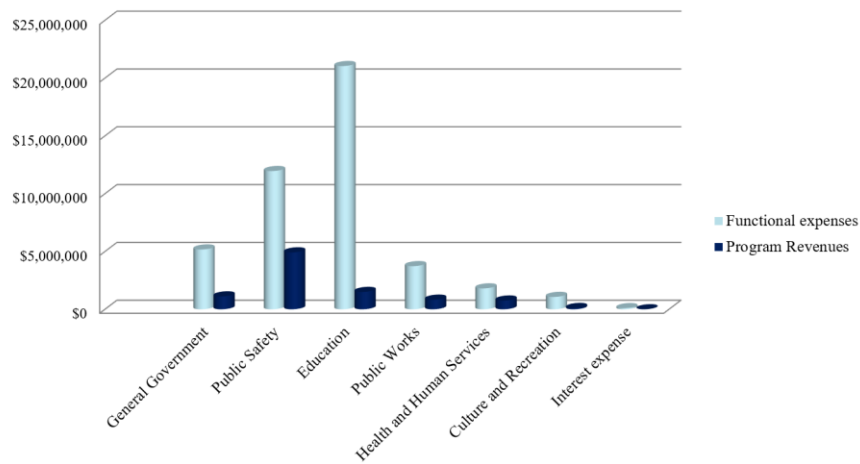
*Unrestricted net position* is reported as a deficit, of nearly \$5.0 million. This is due to the implementation of GASB 68 and GASB 75 which resulted in significant related net pension and net OPEB liabilities. This deficit is expected to increase from year to year until the Town adopts an adequate funding schedule for the net OPEB liability. The net pension liability is funded by statute on an annual basis and is currently expected to be fully funded in approximately 10 - 12 years.

The condensed statement of changes is as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	June 30,		June 30,		June 30,	
	2024	2023	2024	2023	2024	2023
<b><u>Revenues</u></b>						
Program revenues:						
Charges for services	\$ 5,109,187	\$ 4,893,639	\$ 2,167,453	\$ 2,303,034	\$ 7,276,640	\$ 7,196,673
Operating grants and contributions	3,103,921	1,311,981	76,742	1,398	3,180,663	1,313,379
Capital grants and contributions	1,026,786	3,394,121	345,156	1,618,843	1,371,942	5,012,964
General revenues:						
Property taxes and tax liens	32,075,651	29,381,594	-	-	32,075,651	29,381,594
Unrestricted grants and contributions	1,741,817	1,695,868	-	-	1,741,817	1,695,868
Other	3,807,212	3,244,103	479,154	226,859	4,286,366	3,470,962
<b>Total Revenues</b>	<b>46,864,574</b>	<b>43,921,306</b>	<b>3,068,505</b>	<b>4,150,134</b>	<b>49,933,079</b>	<b>48,071,440</b>
<b><u>Expenses</u></b>						
General government	5,175,024	5,042,164	-	-	5,175,024	5,042,164
Public safety	11,959,107	10,332,604	-	-	11,959,107	10,332,604
Education	21,038,377	17,748,912	-	-	21,038,377	17,748,912
Public works	3,731,127	3,734,444	-	-	3,731,127	3,734,444
Health and human services	1,806,478	863,340	-	-	1,806,478	863,340
Culture and recreation	1,071,351	1,088,350	-	-	1,071,351	1,088,350
Debt service	98,585	99,306	-	-	98,585	99,306
Water	-	-	259,521	275,845	259,521	275,845
Sewer	-	-	2,086,658	2,011,353	2,086,658	2,011,353
<b>Total Expenses</b>	<b>44,880,049</b>	<b>38,909,120</b>	<b>2,346,179</b>	<b>2,287,198</b>	<b>47,226,228</b>	<b>41,196,318</b>
Change in net position before transfers	1,984,525	5,012,186	722,326	1,862,936	2,706,851	6,875,122
<b>Transfers</b>	<b>(193,000)</b>	<b>57,182</b>	<b>193,000</b>	<b>(57,182)</b>	<b>-</b>	<b>-</b>
Change in net position	1,791,525	5,069,368	915,326	1,805,754	2,706,851	6,875,122
Net Position, beginning of year.	21,960,470	16,891,102	33,666,969	31,861,215	55,627,439	46,615,832
Net position, end of year	<u>\$ 23,751,995</u>	<u>\$ 21,960,470</u>	<u>\$ 34,582,295</u>	<u>\$ 33,666,969</u>	<u>\$ 58,334,290</u>	<u>\$ 55,627,439</u>

**Governmental Activities** – The governmental activities increased net position by approximately \$1.8 million versus an increase of approximately \$5.0 million in the prior year. This operating result was primarily due to expenses increasing by nearly \$6.0 million versus revenue increases of nearly \$3.0 million, detail of which, is discussed below.

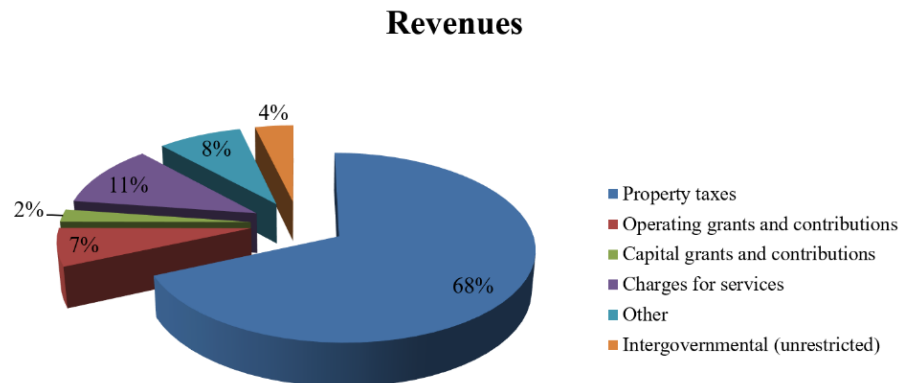
Fiscal Year 2024 Expenses and Program Revenues – governmental activities are graphically presented as follows:



Major revenue sources of governmental activities consist of revenue from:

(1) Property taxes, which represented approximately 68% of total revenues reflected an increase of about \$2.7 million over the prior year. This was primarily due to significant expansion in Town leading to new growth of about \$2.5 million. The normal annual increase in levy of about 0.4 million represented the remaining increase. The economy continues to remain robust, and assessed taxes are collected at near 100% of levy which has contributed to this positive trend.

(2) Total grants, both Operating and Capital, which comprised approximately 9% of the total governmental activity revenues in aggregate, was consistent in amount with the prior year. The Town continues to be the beneficiary of operating grants from the Federal and State Government which included the recognition of ARPA grants related to the pandemic. These were categorized based on the nature of how they were spent but primarily originate from the same bucket of revenue.

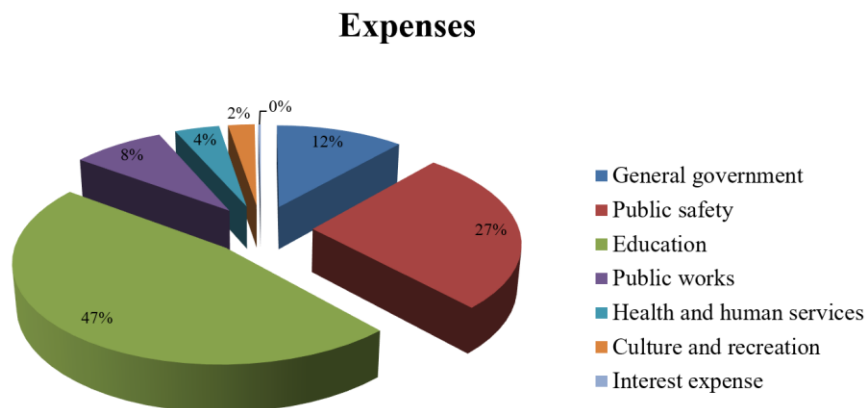


(3) The remainder of the Town’s revenues were either consistent with the prior year or not material in relation to the revenues as a whole.

The Town’s total expenses increased nearly \$6.0 million over the prior year. Expenses associated with grants were responsible for nearly \$2.1 million of this increase along with annual increases in expenses across the board discussed below.

Major expenses consist of the following:

Education costs represent the Town's largest expense category as it continues to be an area which the Town devotes substantial resources. Approximately 47% of the Town's total disbursements are related to education which is provided through regional school districts in the area. The Charlton-Dudley Regional School District which is the largest district serving the Town increased its assessment by nearly \$1.8 million. In addition, \$1.5 million from ARPA was allocated to Education during the year.



Public Safety represented 12% of total expenditure outlay and increased \$1.6 million over the prior year. This was primarily due to salary increases and a large contract related to peer review. In addition, nearly \$0.3 million of the ARPA grant was allocated to Public Safety.

All other functional expense categories combined were less than 26% in aggregate and other than some one-time engineering costs associated with the land fill, general increases in health benefits and cost of living increases, their impacts are not material to the overall operating discussion.

**Business-type Activities** – Net position of the business-type activities increased when compared to the prior year. This was primarily related to a one-time grant for capital, in which those expenses were capitalized. Operations on both the revenue and expense side were consistent with the prior year.

### **Fund-wide Financial Analysis of the Governmental Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *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.

The following discussion summarizes the highlights in Governmental Funds:

**General Fund** – The General Fund is the Town's operating fund. Typically, the operating fund is designed for revenues to equal expenditures. Given the robust economy in Massachusetts particularly in Worcester County, which is designated as a Metropolitan Statistical Area, operating funds have been generating a surplus for the last several years.

Revenues in the General Fund exceeded forecasts by over \$2.0 million. This was primarily due to the tremendous growth in the Town as discussed previously, which impacted on many areas of revenue.

Strong budget management and conservative estimates had a similar impact on expenditures. Across the board favorable results caused expenditures to end below budget by about \$1.3 million. These savings were observed in many categories with benefits, public safety, public works and general government being the largest beneficiaries.

Since Massachusetts is a zero-based budget community, any favorable variances would have a direct impact on fund balance.

The Town's Unassigned Fund Balance reported in the General Fund was about \$10.3 million (26.7% of General Fund expenditures). Total Fund Balance in the General Fund was approximately \$12.9 million (33.5% of General Fund expenditures).

*Capital Projects Fund* decreased by less than \$0.1 million. This was primarily due to timing. The total fund balance is near zero at year-end.

*Nonmajor Governmental Funds* increased by over \$0.5 million. The majority of this increase was due to timing of revenues and expenditures, since these funds are for the most part designed to accommodate money in, equals money out. The majority of the fund balance of \$6.7 million is restricted with minor amounts in unassigned and nonspendable.

***Proprietary Funds*** – The Town's proprietary funds consist of the Water and Sewer Enterprise Funds. These provide the same type of information found in the government-wide financial statements under Business-type activities. At the end of the year, net position of the Water Fund was approximately \$11.7 million, and the Sewer Fund was \$22.9 million. The total increase of \$1 million over the prior year was due to capital grants and strong investment performance.

***Fiduciary Funds*** – The Town has elected to establish a trust under Chapter 32B Section 20 of the MGL whose sole purpose will be to accumulate funds to reduce the Town's unfunded net postemployment liability. This fund increased by nearly \$0.6 million to approximately \$3.0 million. This was due to an aggressive contribution strategy in addition to a strong investment performance.

### **General Fund Budgetary Highlights**

The final amended budget included increases of approximately \$2.1 million, the largest of which was to Public Safety for nearly \$1.4 million with the remaining spread across many expenditure categories in smaller amounts.

Major budget to actual differences on the revenue side were experienced in all revenue categories as actual revenues exceeded forecasted revenues by \$2.0 million. Continued conservative forecasting, in addition to robust economic activities led to this situation.

The Town also experienced favorable variances in almost all budget categories as budget monitoring controls implemented have been very effective. These positive variances were spread across all categories. The largest beneficiary being Public Safety which experienced a positive variance of almost \$0.5 million.

Further detail of budget to actual comparisons may be reviewed as part of the Required Supplementary Information following the footnotes to this report.

## **Capital Asset and Debt Administration**

**Capital Assets** – The Town’s investment in capital assets for its governmental and business type activities amounts to approximately \$58.9 million (net of accumulated depreciation) an decrease from the previous year’s balance of almost \$0.9 million. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery, and equipment. The total decrease is primarily due to depreciation exceeding current year additions.

The Town has undergone significant capital improvements over the past several years. These include major improvements and additions to infrastructure assets, more specifically roads, water distribution components and sewer infrastructure; along with municipal facilities, fire-fighting equipment, and vehicles. Additional information on the Town capital assets can be found in the Notes to the financial statements.

**Long-Term Debt** – At the end of the current fiscal year, the Town had total debt outstanding, of approximately \$2.9 million (nearly \$2.0 million Governmental activities and over \$0.9 million Business-type activities). The entire amount comprises debt backed by the full faith and credit of the government. The Town’s credit rating from Standard and Poor was maintained at “AA+”. This is one notch below the highest investment grade issued by this agency.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5.0 % of its total assessed valuation. The current debt limitation for the Town is approximately \$111.2 million, which is significantly in excess of the Town’s outstanding general obligation debt classified as inside the debt limit. The Town also holds a proportionate share of debt of other governmental units that provide services within the Town’s boundaries. The debt service from such arrangements is assessed annually to the Town.

The decrease in long-term debt from the prior year to the current year of nearly \$0.4 million was due to regular scheduled maturities.

Additional information on the Town’s short-term and long-term debt can be found in the Notes to the financial statements.

## **Economic Factors and Next Year’s Budgets and Rates**

- The Town’s real estate tax base is made up predominantly of residential taxes, which in 2025 will comprise about 71% of the Town’s real estate tax base. The Town also relies to a lesser but moderate extent on its commercial and industrial real estate tax base, which in aggregate comprise 16% of the Town’s real estate tax base. The remainder of the Town’s tax base is made up of personal property taxes. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the Town’s ability to increase taxes in any one year by more than two and one-half percent (2 ½%) of the previous year tax levy.
- The Town’s housing market has been very strong for the past several years. This has been bolstered by mortgage rates at historic lows. Current actions by the Federal Open Market Committee to soften the economy due to inflation caused mortgage rates to spike during fiscal year 2023 and stabilize in the first part of fiscal 2024. The Town is monitoring the trends as these could effect the housing market.



- Inflation is peaking near 40-year historic highs and just now beginning to stabilize. This is having adverse impacts to wages, goods, services, energy and construction. The Town continues to monitor this situation during its budget process.
- The Town anticipates state aid for 2025 to remain consistent or greater than the prior year.

All of the above items were considered when the Town developed its budget for fiscal year 2025. The budget was adopted in April 2024 and the tax rate was approved in December 2024.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town'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 Office of the Finance Director, Town Hall Main Street, Charlton, Massachusetts 01038-9702.



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## **Basic Financial Statements**

**TOWN OF CHARLTON, MASSACHUSETTS**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 15,713,115	\$ 3,932,744	\$ 19,645,859
Investments	7,796,292	9,868,753	17,665,045
Receivables, net:			
Property taxes	501,654	-	501,654
User fees	-	795,219	795,219
Departmental and other	1,714,122	-	1,714,122
Special assessments	319,499	1,441,892	1,761,391
Intergovernmental	123,471	4,351	127,822
Land	3,447,418	325,500	3,772,918
Construction in-process	1,165,224	451,082	1,616,306
Capital assets, net of accumulated depreciation	34,097,206	19,447,450	53,544,656
<b>Total Assets</b>	<b>64,878,001</b>	<b>36,266,991</b>	<b>101,144,992</b>
<b>Deferred Outflows of Resources</b>			
Related to net OPEB liability	1,134,320	9,413	1,143,733
Related to net pension liability	4,245,873	115,130	4,361,003
<b>Total Deferred Outflows of Resources</b>	<b>5,380,193</b>	<b>124,543</b>	<b>5,504,736</b>
<b>Liabilities</b>			
Warrants and accounts payable	1,111,968	87,375	1,199,343
Accrued payroll and withholdings	215,723	1,179	216,902
Unearned revenue	1,144,708	-	1,144,708
Other liabilities	1,299,910	-	1,299,910
Bond anticipation notes payable	295,000	-	295,000
Noncurrent liabilities:			
Due within one year	407,635	144,829	552,464
Due in more than one year	36,868,845	1,521,794	38,390,639
<b>Total Liabilities</b>	<b>41,343,789</b>	<b>1,755,177</b>	<b>43,098,966</b>
<b>Deferred Inflows of Resources</b>			
Related to net OPEB liability	4,565,919	37,888	4,603,807
Related to net pension liability	596,491	16,174	612,665
<b>Total Deferred Inflows of Resources</b>	<b>5,162,410</b>	<b>54,062</b>	<b>5,216,472</b>
<b>Net Position</b>			
Net investment in capital assets	36,844,896	19,279,989	56,124,885
Restricted for:			
Nonexpendable permanent funds	395,479	-	395,479
Expendable permanent funds	472,801	-	472,801
Federal and State grants and gifts	3,089,068	-	3,089,068
Other purposes	3,235,451	-	3,235,451
Unrestricted	(20,285,700)	15,302,306	(4,983,394)
<b>Total Net Position</b>	<b>\$ 23,751,995</b>	<b>\$ 34,582,295</b>	<b>\$ 58,334,290</b>

See accompanying notes to basic financial statements.

**TOWN OF CHARLTON, MASSACHUSETTS**

**STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Governmental Activities:</u>							
General government	\$ 5,175,024	\$ 469,834	\$ 645,400	\$ -	\$ (4,059,790)		\$ (4,059,790)
Public safety	11,959,107	4,406,745	245,757	270,999	(7,035,606)		(7,035,606)
Education	21,038,377	-	1,501,114	-	(19,537,263)		(19,537,263)
Public works	3,731,127	50,449	25,475	755,787	(2,899,416)		(2,899,416)
Health and human services	1,806,478	117,228	640,260	-	(1,048,990)		(1,048,990)
Culture and recreation	1,071,351	64,931	45,915	-	(960,505)		(960,505)
Interest expense	98,585	-	-	-	(98,585)		(98,585)
Total governmental activities	44,880,049	5,109,187	3,103,921	1,026,786	(35,640,155)		(35,640,155)
<u>Business-Type Activities:</u>							
Water	259,521	9,586	76,742	97,424		\$ (75,769)	(75,769)
Sewer	2,086,658	2,157,867	-	247,732		318,941	318,941
Total business-type activities	2,346,179	2,167,453	76,742	345,156		243,172	243,172
Total Primary Government	\$ 47,226,228	\$ 7,276,640	\$ 3,180,663	\$ 1,371,942	(35,640,155)	243,172	(35,396,983)
<u>General Revenues:</u>							
Property taxes					32,075,651	-	32,075,651
Motor vehicle and other excise					2,972,932	-	2,972,932
Grants and contributions not restricted to specific programs					1,741,817	-	1,741,817
Penalties and interest on taxes					173,878	-	173,878
Payments in lieu of taxes					1,910	-	1,910
Special assessments					27,599	-	27,599
Unrestricted investment income					630,893	479,154	1,110,047
<u>Transfers (net)</u>					(193,000)	193,000	-
Total general revenues and transfers					37,431,680	672,154	38,103,834
Change in Net Position					1,791,525	915,326	2,706,851
Net Position - Beginning					21,960,470	33,666,969	55,627,439
Net Position - Ending					\$ 23,751,995	\$ 34,582,295	\$ 58,334,290

See accompanying notes to basic financial statements.

**TOWN OF CHARLTON, MASSACHUSETTS**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2024**

	General Fund	ARPA Grant Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 8,389,883	\$ 1,144,708	\$ 332,665	\$ 5,845,859	\$ 15,713,115
Investments	7,065,009	-	-	731,283	7,796,292
Receivables, net of allowance for uncollectibles:					
Real and personal property	501,654	-	-	-	501,654
Excise taxes and other	1,077,722	-	-	636,400	1,714,122
Special assessments	-	-	-	319,499	319,499
Intergovernmental	-	-	-	123,471	123,471
<b>Total Assets</b>	<u>17,034,268</u>	<u>1,144,708</u>	<u>332,665</u>	<u>7,656,512</u>	<u>26,168,153</u>
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 17,034,268</u>	<u>\$ 1,144,708</u>	<u>\$ 332,665</u>	<u>\$ 7,656,512</u>	<u>\$ 26,168,153</u>
<b>Liabilities:</b>					
Warrants and accounts payable	\$ 1,052,190	\$ -	\$ 8,099	\$ 51,679	\$ 1,111,968
Accrued payroll and withholdings	164,480	-	-	51,243	215,723
Unearned revenue	-	1,144,708	-	-	1,144,708
Other liabilities	1,296,910	-	-	3,000	1,299,910
Bond anticipation notes payable	-	-	295,000	-	295,000
<b>Total Liabilities</b>	<u>2,513,580</u>	<u>1,144,708</u>	<u>303,099</u>	<u>105,922</u>	<u>4,067,309</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues - property taxes	501,654	-	-	-	501,654
Unavailable revenues - special assessments	-	-	-	319,499	319,499
Unavailable revenues - excise taxes and other	1,077,722	-	-	515,309	1,593,031
<b>Total Deferred Inflows of Resources</b>	<u>1,579,376</u>	<u>-</u>	<u>-</u>	<u>834,808</u>	<u>2,414,184</u>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	395,479	395,479
Restricted	35,274	-	388,002	6,374,044	6,797,320
Committed	2,449,968	-	-	-	2,449,968
Assigned	125,554	-	-	-	125,554
Unassigned	10,330,516	-	(358,436)	(53,741)	9,918,339
<b>Total Fund Balances</b>	<u>12,941,312</u>	<u>-</u>	<u>29,566</u>	<u>6,715,782</u>	<u>19,686,660</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>\$ 17,034,268</u>	<u>\$ 1,144,708</u>	<u>\$ 332,665</u>	<u>\$ 7,656,512</u>	<u>\$ 26,168,153</u>

See accompanying notes to basic financial statements.

**TOWN OF CHARLTON, MASSACHUSETTS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

<b>Total Governmental Fund Balances</b>	<b>\$ 19,686,660</b>
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	38,709,848
Other long-term assets are unavailable to pay current-period expenditures and are therefore unavailable within the funds	2,414,184
Deferred outflows and inflows of resources to be recognized in future years' expense are not available resources and, therefore, are not reported in the funds:	
Deferred outflows related to net other postemployment benefits liability	1,134,320
Deferred outflows related to net pension liability	4,245,873
Deferred inflows related to net other postemployment benefits liability	(4,565,919)
Deferred inflows related to net pension liability	<u>(596,491)</u>
Net effect of reporting deferred outflows and inflows	217,783
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the government funds:	
Bonds and notes payable	(1,995,000)
Landfill closure	(4,185,000)
Compensated absences	(570,541)
Net pension liability	(24,937,713)
Net other postemployment benefits liability	<u>(5,588,226)</u>
Net effect of reporting long-term liabilities	<u>(37,276,480)</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 23,751,995</u></u></b>

See accompanying notes to basic financial statements.

**TOWN OF CHARLTON, MASSACHUSETTS**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2024**

	General Fund	ARPA Grant Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 32,176,720	\$ -	\$ -	\$ -	\$ 32,176,720
Intergovernmental	1,826,378	2,042,408	255,787	1,223,701	5,348,274
Motor vehicle and other excises	2,953,148	-	-	-	2,953,148
Licenses and permits	872,970	-	-	133,314	1,006,284
Payments in lieu of taxes	1,910	-	-	-	1,910
Departmental and other	466,739	-	-	3,392,770	3,859,509
Penalties and interest on taxes	173,878	-	-	-	173,878
Fines and forfeitures	67,261	-	-	-	67,261
Investment income (loss)	591,430	-	-	39,463	630,893
Contributions and donations	-	-	-	655,689	655,689
Special assessments	-	-	-	44,865	44,865
Total Revenues	<u>39,130,434</u>	<u>2,042,408</u>	<u>255,787</u>	<u>5,489,802</u>	<u>46,918,431</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	3,799,826	78,409	7,932	278,409	4,164,576
Public safety	7,531,804	270,999	342,424	2,259,156	10,404,383
Education	19,235,137	1,500,000	-	500	20,735,637
Public works	2,136,225	-	236,684	50,315	2,423,224
Health and human services	701,112	-	-	514,143	1,215,255
Culture and recreation	631,924	-	38,931	85,852	756,707
Pension and fringe benefits	4,136,144	-	-	-	4,136,144
State and county assessments	116,808	-	-	-	116,808
<b>Debt service:</b>					
Principal	245,000	-	-	-	245,000
Interest	98,585	-	-	-	98,585
Total Expenditures	<u>38,632,565</u>	<u>1,849,408</u>	<u>625,971</u>	<u>3,188,375</u>	<u>44,296,319</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>497,869</u>	<u>193,000</u>	<u>(370,184)</u>	<u>2,301,427</u>	<u>2,622,112</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	1,792,255	-	296,000	13,504	2,101,759
Transfers out	(309,504)	(193,000)	-	(1,792,255)	(2,294,759)
Total Other Financing Sources (Uses)	<u>1,482,751</u>	<u>(193,000)</u>	<u>296,000</u>	<u>(1,778,751)</u>	<u>(193,000)</u>
Net Change in Fund Balances	1,980,620	-	(74,184)	522,676	2,429,112
Fund Balances - Beginning of year	<u>10,960,692</u>	<u>-</u>	<u>103,750</u>	<u>6,193,106</u>	<u>17,257,548</u>
Fund Balances - End of year	<u>\$ 12,941,312</u>	<u>\$ -</u>	<u>\$ 29,566</u>	<u>\$ 6,715,782</u>	<u>\$ 19,686,660</u>

See accompanying notes to basic financial statements.



**TOWN OF CHARLTON, MASSACHUSETTS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

**Net Change in Fund Balances - Total Governmental Fund Balances** **\$ 2,429,112**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The net amounts are reflected here as reconciling items:

Capital outlays	2,529,844	
Depreciation expense	(2,627,504)	

Net effect of reporting capital assets		(97,660)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. The net amounts are reflected here as reconciling items:

Repayments of debt obligations	245,000	

Net effect of reporting long-term debt		245,000
--	--	---------

Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. The amount presented represents the following differences derived from unavailable revenue.

(53,857)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Landfill closure	(435,000)	
Compensated absences	(37,767)	
Pension benefits	(999,610)	
Other postemployment benefits	741,307	

Net effect of reporting long-term liabilities		(731,070)
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**Change in Net Position of Governmental Activities** **\$ 1,791,525**

See accompanying notes to basic financial statements.

**TOWN OF CHARLTON, MASSACHUSETTS**

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

	Business-Type Activities		
	Water	Sewer	Total Enterprise Funds
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 799,070	\$ 3,133,674	\$ 3,932,744
Investments	4,374,304	5,494,449	9,868,753
User charges and other receivables (net):	2,221	792,998	795,219
Betterments	-	11,016	11,016
Intergovernmental receivables	4,351	-	4,351
Total current assets	<u>5,179,946</u>	<u>9,432,137</u>	<u>14,612,083</u>
Noncurrent assets:			
Betterments	-	1,430,876	1,430,876
Land	228,000	97,500	325,500
Construction in-process	246,294	204,788	451,082
Capital assets (net of depreciation)	6,454,272	12,993,178	19,447,450
Total noncurrent assets	<u>6,928,566</u>	<u>14,726,342</u>	<u>21,654,908</u>
<b>Total Assets</b>	<u>12,108,512</u>	<u>24,158,479</u>	<u>36,266,991</u>
<b>Deferred Outflows of Resources:</b>			
Related to net OPEB liability	6,311	3,102	9,413
Related to net pension liability	57,565	57,565	115,130
<b>Total Deferred Outflows of Resources</b>	<u>63,876</u>	<u>60,667</u>	<u>124,543</u>
<b>Liabilities:</b>			
Current liabilities:			
Warrants and accounts payable	42,599	44,776	87,375
Accrued payroll and withholdings	-	1,179	1,179
Bonds and notes payable	20,658	124,171	144,829
Total current liabilities	<u>63,257</u>	<u>170,126</u>	<u>233,383</u>
Noncurrent liabilities:			
Net other postemployment benefits liability	31,090	15,282	46,372
Net pension liability	338,104	338,104	676,208
Bonds and notes payable	-	799,214	799,214
Total noncurrent liabilities	<u>369,194</u>	<u>1,152,600</u>	<u>1,521,794</u>
<b>Total Liabilities</b>	<u>432,451</u>	<u>1,322,726</u>	<u>1,755,177</u>
<b>Deferred Inflows of Resources:</b>			
Related to net OPEB liability	25,402	12,486	37,888
Related to net pension liability	8,087	8,087	16,174
<b>Total Deferred Inflows of Resources</b>	<u>33,489</u>	<u>20,573</u>	<u>54,062</u>
<b>Net Position:</b>			
Net investment in capital assets	6,907,908	12,372,081	19,279,989
Unrestricted	4,798,540	10,503,766	15,302,306
<b>Total Net Position</b>	<u>\$ 11,706,448</u>	<u>\$ 22,875,847</u>	<u>\$ 34,582,295</u>

See accompanying notes to basic financial statements.

**TOWN OF CHARLTON, MASSACHUSETTS**

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities		Total Enterprise Funds
	Water	Sewer	
<b>Operating Revenues:</b>			
Charges for services	\$ 9,586	\$ 2,157,867	\$ 2,167,453
<b>Total Operating Revenues</b>	<u>9,586</u>	<u>2,157,867</u>	<u>2,167,453</u>
<b>Operating Expenses:</b>			
Operating costs	164,346	1,243,331	1,407,677
Depreciation	93,992	823,642	917,634
<b>Total Operating Expenses</b>	<u>258,338</u>	<u>2,066,973</u>	<u>2,325,311</u>
<b>Total Operating Income (Loss)</b>	<u>(248,752)</u>	<u>90,894</u>	<u>(157,858)</u>
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	76,742	-	76,742
Investment income (loss)	202,488	276,666	479,154
Interest expense	(1,183)	(19,685)	(20,868)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>278,047</u>	<u>256,981</u>	<u>535,028</u>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	29,295	347,875	377,170
<b>Transfers &amp; Capital Contributions:</b>			
Transfers in	193,000	-	193,000
Capital Contributions	97,424	247,732	345,156
<b>Total Transfers &amp; Capital Contributions</b>	<u>290,424</u>	<u>247,732</u>	<u>538,156</u>
<b>Change in Net Position</b>	319,719	595,607	915,326
<b>Beginning of Year</b>	<u>11,386,729</u>	<u>22,280,240</u>	<u>33,666,969</u>
<b>Ending of Year</b>	<u>\$ 11,706,448</u>	<u>\$ 22,875,847</u>	<u>\$ 34,582,295</u>

See accompanying notes to basic financial statements.

**TOWN OF CHARLTON, MASSACHUSETTS**

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities		
	Water	Sewer	Total Enterprise Funds
Cash Flows from Operating Activities:			
Receipts from users	\$ 15,147	\$ 1,996,967	\$ 2,012,114
Payments to employees	(2,046)	(87,351)	(89,397)
Payments to vendors	(112,029)	(1,165,583)	(1,277,612)
Net Cash Provided by Operating Activities	(98,928)	744,033	645,105
Cash Flows from Noncapital Financing Activities:			
Operating grants	75,689	-	75,689
Transfers in	193,000	-	193,000
Net Cash Provided by Noncapital Financing Activities	268,689	-	268,689
Cash Flows from Capital and Related Financing Activities:			
Proceeds from capital grants	177,316	247,732	425,048
Acquisition and construction of capital assets	(193,000)	-	(193,000)
Proceeds from betterment assessment	-	(8,622)	(8,622)
Principal payments on bonds and notes	(20,602)	(121,725)	(142,327)
Interest payments on bonds and notes	(130)	(19,685)	(19,815)
Net Cash (Used in) Provided by Capital and Related Financing Activities	(36,416)	97,700	61,284
Cash Flows from Investing Activities:			
Purchase of investments	(301,189)	(2,168,619)	(2,469,808)
Investment income	202,488	276,666	479,154
Net Cash Provided by Investing Activities	(98,701)	(1,891,953)	(1,990,654)
Net Change in Cash and Cash Equivalents	34,644	(1,050,220)	(1,015,576)
Cash and Cash Equivalents:			
Beginning of the year	764,426	4,183,894	4,948,320
End of the year	\$ 799,070	\$ 3,133,674	\$ 3,932,744
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ (248,752)	\$ 90,894	\$ (157,858)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	93,992	823,642	917,634
Changes in assets and liabilities:			
Receivables	5,561	(160,900)	(155,339)
Deferred outflows of resources	(3,924)	(5,007)	(8,931)
Warrants payable and accrued expenses	40,842	(21,128)	19,714
Net other post employment benefits liability	(3,539)	(1,740)	(5,279)
Net pension liability	22,641	22,641	45,282
Deferred inflows of resources	(5,749)	(4,369)	(10,118)
Net Cash Provided by Operating Activities	\$ (98,928)	\$ 744,033	\$ 645,105
Noncash capital and financing activities:			
Intergovernmental subsidies of debt service	\$ 1,053	\$ -	\$ 1,053

See accompanying notes to basic financial statements.

**TOWN OF CHARLTON, MASSACHUSETTS**

**FIDUCIARY FUNDS**

**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2024**

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	<u>Other Postemployment Benefits Trust Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 14,316
Common stock	256,614
Equity mutual funds	2,006,287
Fixed income mutual funds	<u>710,181</u>
<b>Total Assets</b>	<u>2,987,398</u>
<b>Liabilities:</b>	
Warrants payable	<u>-</u>
<b>Total Liabilities</b>	<u>-</u>
<b>Net Position:</b>	
Held in trust for other postemployment benefits	<u>2,987,398</u>
<b>Total Net Position</b>	<u><u>\$ 2,987,398</u></u>

See accompanying notes to basic financial statements.

**TOWN OF CHARLTON, MASSACHUSETTS**

**FIDUCIARY FUNDS**

**STATEMENT OF CHANGES IN NET POSITION**

**YEAR ENDED JUNE 30, 2024**

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	<u>Other Postemployment Benefits Trust Funds</u>
<b>Additions:</b>	
Contributions:	
Employer	\$ 613,109
Investment income (loss):	
Interest and dividends	<u>304,480</u>
<b>Total Additions</b>	<u>917,589</u>
<b>Deductions:</b>	
Benefits paid	<u>359,109</u>
<b>Total Deductions</b>	<u>359,109</u>
<b>Change in Net Position</b>	558,480
<b>Net Position - Beginning of year</b>	<u>2,428,918</u>
<b>Net Position - End of year</b>	<u><u>\$ 2,987,398</u></u>

See accompanying notes to basic financial statements.

## TOWN OF CHARLTON, MASSACHUSETTS

### NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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#### **I. Summary of Significant Accounting Policies**

The accompanying basic financial statements of the Town of Charlton (the “Town”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (“GASB”), which is the primary standard-setting body for state and local governmental entities. The following is a summary of the more significant policies and practices used by the Town:

##### **A. Reporting Entity**

The Town of Charlton is located in Worcester County, in the central area of Massachusetts and was incorporated as a town in 1755. The governing structure utilizes an open town meeting form, with an elected five-member Board of Selectmen and an appointed Town Administrator, who performs and oversees the Town’s daily executive and administrative duties. Selectmen serve staggered three-year terms.

The Town provides governmental services for the territory within its boundaries, including public safety, education, public works, health, culture and recreation and water and sewer services. The water and sewer services are each funded almost entirely with user charges and are provided via connections to Town owned facilities.

Component units, while separate entities, are in substance part of the governmental operations if the significance of their operations and/or financial relationship with the Town meet certain criteria. Pursuant to these criteria there are no component units required to be included in the financial statements.

*Joint Venture* – The Town has entered into a joint venture with the Town of Dudley to pool resources and share the costs, risks and rewards of providing education services through the Dudley-Charlton Regional School District (DCRSD). This joint venture assesses each community its share of operational and debt service costs based on student population and other factors. In fiscal year 2024, the Town’s share of the operating and debt service expenses was \$16,837,881. There is no equity interest reported in these financial statements. Stand-alone financial statements for the year ended June 30, 2024, are available at the Dudley-Charlton Regional School District, Superintendent’s Office, 68 Dudley-Oxford Road, Dudley, Massachusetts 01571.

The Town is a participant in the Southern Worcester County Regional Vocational School District (the District). The school was created to provide vocational technical education to students in Charlton and other neighboring communities and is governed by a board composed of the School Committees of member Towns. This joint venture assesses each community its share of operational and debt service costs based on student population and other factors. In fiscal year 2024, the Town’s share of the operating and debt service expenses was \$2,397,256. There is no equity interest reported in these financial statements. Stand-alone financial statements for the year ended June 30, 2024 are available at the District’s Superintendent’s Office, 57 Old Mugget Hill Road, Charlton, Massachusetts 01507.

## B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

Major Fund Criteria – Major funds must be reported if both of the following criteria are met:

- 1) The total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least ten percent of the corresponding element for all funds of that category or type, and
- 2) The total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding elements for all governmental and enterprise funds combined.

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

## C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to 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*.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e. measurable and available). Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of



the current period. Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt which is recognized when payment is due, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

The Town considers property tax revenues to be available if they are collected within sixty days after the end of the fiscal year and are material. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.

The government reports the following major governmental funds:

*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.

*American Rescue Plan Act (ARPA) Grant Fund* – is used to account for funds received in accordance with the ARPA grant. Funds can be used for a wide range of services within United States Treasury guidelines.

*Capital Projects Fund* – is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

*Nonmajor Governmental Funds* consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the Nonmajor Governmental Funds column on the Governmental Funds financial statements. The following describes the general use of these fund types:

*Special Revenue Funds* – are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

*Permanent Funds* – are used to account for financial resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

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

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 are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major proprietary funds:

Water Enterprise Fund— accounts for user charges collected to finance costs associated with maintaining the related infrastructure within the Town boundaries by which the water activities are processed.

Sewer Enterprise Fund— accounts for user charges collected to finance costs associated with maintaining the related infrastructure within the Town boundaries by which the sewer activities are processed.

Fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Fiduciary funds are used to account for assets held in a trustee capacity for others that may not be used for governmental programs.

The Town reports the following fiduciary funds:

Other Postemployment Benefits Trust Fund— is used to accumulate funds for future payments of other post-employment benefits for retirees such as health and life insurance.

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

Deposits and Investments— The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the Town are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables— Real estate and personal property taxes are assessed on January 1 every year. Bills are sent quarterly and are due on August 1, November 1, February 1, and May 1, or thirty days subsequent to the mailing date. Interest accrues on delinquent taxes at the rate of 14% per annum. Property taxes levied are recorded as receivables in the fiscal year of the levy. The Town is permitted to take delinquent tax accounts into tax title fourteen days subsequent to the mailing of demand of delinquent taxes.

User charges receivables represent amounts billed for water and sewer usage. Water and sewer charges are billed semi-annual and are subject to penalties and interest if not paid by the respective due date. The Town is authorized to take water and sewer fees into tax title fourteen days subsequent to the mailing of a demand for payment for the delinquent taxes.

Real estate taxes, water and sewer user fees are secured through a lien process within sixty days after the due date and are considered 100% collectible. Accordingly, an allowance for uncollectible balances for these receivables is not reported. All personal property tax, excise tax and other departmental receivables are shown net of an allowance for uncollectible accounts, which are comprised of those outstanding amounts greater than five years old, if material.

Inventories and Prepaid Items— Inventories, which are not material to the basic financial statements, are considered to be expenditures at the time of purchase. Certain payments to vendors reflect costs applicable to future accounting periods and may be recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets— Capital assets, which include land, buildings and improvements, machinery and equipment, vehicles, and infrastructure (e.g. roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial

statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, and with expected lives of greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets (excluding land and construction-in-process) are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-40 years
Machinery and equipment	3-15 years
Vehicles	3-15 years
Infrastructure	20-50 years

*Interfund Balances* – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either *due to/from other funds* or *advances to/from other funds*. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

*Interfund Transfers* – During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out in the individual fund statements. Transfers between and within governmental and fiduciary funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the statement of activities as *transfers, net*.

*Investment Income* – Excluding the permanent trust funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by state law. Investment income of the proprietary funds is retained in the funds.

*Compensated Absences* – It is the Town's policy to permit employees to accumulate earned but unused vacation and sick-pay benefits. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Amounts related to these benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured.

*Long-term Obligations* – Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bond anticipation notes payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, the face amount of long-term debt issued is reported as other financing sources. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are

exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

*Deferred Outflows/Inflows of Resources*- In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The Town has only two types of items that qualify for reporting as a deferred outflow reported on the government-wide statement of net position that relates to outflows from changes in the net pension and other postemployment benefit liability liabilities. The outflows will be recognized in expense in future years as more fully described in Note III, subsection A and B.

In addition to liabilities, the statement of financial 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three types of items which qualify for reporting in this category. The first arises under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and excise taxes and other revenues. These amounts are deferred and recognized as an inflow of resource in the period that the amounts become available. The remaining types of item that qualify for reporting as a deferred inflow are reported on the government-wide statement of net position. These items relate to inflows from changes in the net pension liability which will be recognized in expense in future years as more fully described in Note III, subsection A and inflows from changes in the net other postemployment benefits liability which will be recognized in expense in future years as more fully described in Note III, subsection B.

*Net Position* – In the government-wide financial statements, net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. Net position has been *restricted* for the following:

*Nonexpendable permanent funds* represent amounts held in trust whereby expenditures are subject to various trust agreements. This represents the nonexpendable portion.

*Expendable permanent funds* represent amounts held in trust whereby expenditures are subject to various trust agreements. This represents the expendable portion.

*Federal and State grants and gifts* represent assets that have restrictions placed on them from federal and state granting agencies.

*Other purposes* represent assets that are restricted by grantors, donors and state laws for specific governmental programs and uses.

***Fund Balance*** –In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily to the extent in which the Town is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned as described below:

*Non-spendable* represents amounts that cannot be spent because they are either (a) not in spendable form (i.e. inventory or prepaid expenses) or (b) legally or contractually required to be maintained intact such as the corpus of an endowment.

*Restricted* represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, which consists of the Town Meeting through Town Meeting votes. Those committed amounts cannot be used for any other purpose unless the Town Meeting removes or changes the specified use by taking the same type of action (through Town Meeting votes) it employed previously to commit those amounts.

*Assigned* represents amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. The Select Board has by ordinance authorized the Finance Director to assign fund balance. The Town Meeting may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

*Unassigned* represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the Town's policy to use committed resources first, then assigned, and then unassigned as they are needed. The Town has not established financial policies with respect to maintaining minimum fund balance amounts.

The following table reflects the Town's fund balance categorizations:

	General Fund	ARPA Grant Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Nonexpendable trust funds	\$ -	\$ -	\$ -	\$ 395,479	\$ 395,479
Restricted:					
Town grants	-	-	-	492,253	492,253
Ambulance	-	-	-	1,404,832	1,404,832
Receipts reserved for appropriation	-	-	-	1,004,258	1,004,258
Revolving funds	-	-	-	403,085	403,085
Streetscape gifts	-	-	-	953,675	953,675
Recreation gifts	-	-	-	400,000	400,000
Public safety equipment gifts	-	-	-	669,104	669,104
Other town gifts	-	-	-	574,036	574,036
Building improvements	-	-	347,292	-	347,292
Other capital outlay	-	-	40,710	-	40,710
Cemetery trusts	-	-	-	145,264	145,264
Debt service	35,274	-	-	154,568	189,842
Other purposes	-	-	-	172,969	172,969
Committed:					
General government	219,421	-	-	-	219,421
Infrastructure	215,088	-	-	-	215,088
Technology	156,055	-	-	-	156,055
Building improvements	553,399	-	-	-	553,399
Police vehicles	218,985	-	-	-	218,985
Ambulance	432,637	-	-	-	432,637
Public works equipment	246,934	-	-	-	246,934
Landfill	294,196	-	-	-	294,196
Other purposes	113,253	-	-	-	113,253
Assigned:					
Other purposes	125,554	-	-	-	125,554
Unassigned	10,330,516	-	(358,436)	(53,741)	9,918,339
	<u>\$ 12,941,312</u>	<u>\$ -</u>	<u>\$ 29,566</u>	<u>\$ 6,715,782</u>	<u>\$ 19,686,660</u>

**Stabilization Funds** – The Town maintains a general stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B. The fund may be used for any municipal purpose upon the condition of a two-thirds vote of the Town Meeting. The balance of the fund totals \$3,681,346 at June 30, 2024 and is reported as unassigned fund balance in the General Fund. Amounts are appropriated into the fund by a majority vote of the Town Meeting. There are no requirements to make annual contributions to this fund.

The Town maintains a capital stabilization fund, in accordance with Massachusetts General Law Chapter 40, Section 5B. The fund may be used for any municipal capital purpose upon the condition of a two-thirds vote of the Town Meeting. The balance of the fund totals \$1,724,881 at June 30, 2024 and is reported as unassigned fund balance in the General Fund. Amounts are appropriated into the fund by a majority vote of the Town Meeting. There are no requirements to make annual contributions to this fund.

**Encumbrances** - The Town's encumbrance policy regarding the general fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the Finance Department as assigned, and (2) classify encumbrances that result from an action of the Town Meeting as committed. Encumbrances of funds already restricted, or committed are included within the classification of those fund balances and not

reported separately. The Town reports \$125,554 of encumbrances from normal purchasing activity in the general fund as assigned and \$2,449,968 of encumbrances from Town Meeting Articles in the general fund as committed. There are no encumbrances reported in any other fund.

#### **E. Excess of Expenditures Over Appropriations and Deficits**

During fiscal year 2024, The Town incurred individual fund deficits totaling \$358,436 reported in the capital projects major fund and \$53,741 reported in the non-major governmental funds. These deficits will be funded through available funds, future grant reimbursements and bond proceeds.

#### **F. 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, deferred outflows, liabilities, deferred inflows and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

## **II. Detailed Notes to All Funds**

### **A. Deposits and Investments**

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as *cash and cash equivalents*. The deposits and investments of trust funds are held separately from those of other funds.

State laws and regulations require the Town to invest funds only in pre-approved investment instruments which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, and State Treasurer's investment pool ("the Pool"). In addition, the statutes impose various limitations on the amount and length of investments and deposits. Repurchase agreements cannot be for a period of over ninety days, and the underlying security must be a United States obligation. During the fiscal year, the Town did not enter into any repurchase agreements.

The pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (the MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

*Custodial Credit Risk: Deposits* - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk relative to cash holdings. At year-end, the carrying amount of the Town's deposits was \$17,884,382 and the bank balance was \$18,377,598. Of the bank balance, \$4,752,182 was insured by the Federal Deposit Insurance Corporation ("FDIC") and the depositors' insurance fund and the remainder was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Custodial Credit Risk: Investments* – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing for bankruptcy, the Town might not be able to recover the full amount of its principal investment and/or investment earnings. The Town has limited investment policies related to custodial credit risk. The Town's investment in the MMDT are not exposed to custodial credit

risk because their existence is not evidenced by securities that exist in physical or book entry form.

**Fair Value of Investments** – The Town reports its investments at fair value. When actively quoted observable prices are not available, the Town generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.
- *Level 3* – Inputs reflect the Town's best estimate of what market participants would use in pricing the investment at the measurement date.

The following table's presents the Town's investments carried at fair value on a recurring basis in the statement of net position at June 30, 2024:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
<b>Investments by fair value level</b>				
Debt securities:				
U.S. government obligations	\$ 7,757,948	\$ 5,850,252	\$ 1,907,696	\$ -
Corporate fixed income securities	6,261,632	-	6,261,632	-
Fixed income mutual funds	835,822	-	835,822	-
Negotiable certificates of deposit	103,539	-	103,539	-
Total debt securities	14,958,941	5,850,252	9,108,689	-
Equity securities:				
Common stock	3,672,899	3,672,899	-	-
Equity mutual funds	2,006,287	-	2,006,287	-
Total equity securities	5,679,186	3,672,899	2,006,287	-
Total Investments by Fair Value Level	20,638,127	<u>\$ 9,523,151</u>	<u>\$ 11,114,976</u>	<u>\$ -</u>
<b>Investments measured at amortized cost</b>				
State investment pool (MMDT)	98,240			
Money market mutual funds	1,677,553			
Total investments measured at fair value	\$ 22,413,920			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. U.S. governmental obligations, corporate fixed income securities, fixed income mutual funds and negotiable certificates of deposit classified in Level 2 are valued using matrix pricing based on the securities' relationship to benchmark quoted prices. The State



Treasurer's investment pool (MMDT) is valued at amortized cost. The MMDT's investment advisor may value the pool using an alternative valuation method that more accurately reflects the fair value in accordance with the pools fair value pricing policies should amortized cost not approximate the fair value of the pool. Money market mutual funds are measured at the published fair value per share (unit) which is generally accepted to be an amortized cost valuation.

**Interest Rate Risk: Deposits** – This is the risk that fair value losses may arise due to increasing interest rates. The Town does not have formal investment policies that limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Interest Rate Risk: Investments** – Debt securities are subject to interest rate risk. Debt securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments. The Town does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2024 the Town had the following investments with maturities:

<b>Investments</b>	<b>Fair Value</b>	<b>Maturities in Years</b>		
		<b>Less than 1</b>	<b>1 - 5</b>	<b>6 - 10</b>
U.S. government obligations	\$ 7,757,948	\$ 4,453,680	\$ 3,304,268	\$ -
Corporate fixed income securities	6,261,632	966,790	3,843,733	1,451,109
Fixed income mutual funds	835,822	835,822	-	-
Negotiable certificates of deposit	103,539	103,539	-	-
<b>Total Investments with Maturities</b>	<b>\$ 14,958,941</b>	<b>\$ 6,359,831</b>	<b>\$ 7,148,001</b>	<b>\$ 1,451,109</b>

**Concentration of Credit Risk** – The Town does not place a limit on the amount that may be invested in any one issuer.

**Credit Risk** – The Town has not adopted a formal policy related to credit risk. The Town's investment in MMDT is unrated; other securities with maturities have their credit ratings disclosed below.

At June 30, 2024 the credit quality ratings of investments per Moody's Investment services were as follows:

<b>Rating</b>	<b>U.S. Government Obligations</b>	<b>Corporate Fixed Income Securities</b>	<b>Fixed Income Mutual Funds</b>	<b>Negotiable Certificate of Deposit</b>
Aaa	\$ 7,757,948	\$ 530,145	\$ -	\$ -
A1	-	1,269,048	-	-
A2	-	2,035,923	-	-
A3	-	716,268	-	-
Baa1	-	966,790	-	-
Baa2	-	743,458	-	-
Unrated	-	-	835,822	103,539
	<b>\$ 7,757,948</b>	<b>\$ 6,261,632</b>	<b>\$ 835,822</b>	<b>\$ 103,539</b>

## B. Receivables

Receivables as of year-end for the Town's individual major 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
Receivables:			
Real estate and personal property taxes	\$ 501,654	\$ -	\$ 501,654
Tax liens and foreclosures	795,865	-	795,865
Motor vehicle and other excise taxes	278,216	-	278,216
Ambulance	1,002,382	(612,946)	389,436
Departmental and other	250,605	-	250,605
Special assessments	319,499	-	319,499
Intergovernmental	123,471	-	123,471
Total	<u>\$ 3,271,692</u>	<u>\$ (612,946)</u>	<u>\$ 2,658,746</u>

Receivables as of year-end for the Town's proprietary funds are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Water user charges	\$ 2,221	\$ -	\$ 2,221
Sewer user charges	787,442	-	787,442
Sewer liens	5,556	-	5,556
Sewer betterments	1,441,892	-	1,441,892
Intergovernmental	4,351	-	4,351
Total	<u>\$ 2,241,462</u>	<u>\$ -</u>	<u>\$ 2,241,462</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are considered unavailable to liquidate liabilities of the current period. The following identifies the components of deferred inflows of resources in the governmental funds:

	General Fund	Other Governmental	Net Amount
Receivable type:			
Real estate and personal property taxes	\$ 501,654	\$ -	\$ 501,654
Tax liens and foreclosures	795,865	-	795,865
Motor vehicle	278,216	-	278,216
Ambulance	-	389,436	389,436
Departmental and other	3,641	125,873	129,514
Special assessments	-	319,499	319,499
Total	<u>\$ 1,579,376</u>	<u>\$ 834,808</u>	<u>\$ 2,414,184</u>

## C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Governmental Activities:</u></i>				
Capital assets not being depreciated:				
Land	\$ 3,447,418	\$ -	\$ -	\$ 3,447,418
Construction in process	425,303	739,921	-	1,165,224
Total capital assets not being depreciated	3,872,721	739,921	-	4,612,642
Capital assets being depreciated:				
Land improvements	137,730	30,077	-	167,807
Buildings and improvements	24,519,381	23,910	-	24,543,291
Equipment and vehicles	12,584,696	1,499,253	-	14,083,949
Infrastructure	58,754,263	236,683	-	58,990,946
Total capital assets being depreciated	95,996,070	1,789,923	-	97,785,993
Less accumulated depreciation for:				
Land improvements	(68,225)	(9,218)	-	(77,443)
Buildings and improvements	(12,799,089)	(625,485)	-	(13,424,574)
Equipment and vehicles	(9,051,602)	(755,982)	-	(9,807,584)
Infrastructure	(39,142,367)	(1,236,819)	-	(40,379,186)
Total accumulated depreciation	(61,061,283)	(2,627,504)	-	(63,688,787)
Total capital assets being depreciated, net	34,934,787	(837,581)	-	34,097,206
Total governmental activities capital assets, net	\$ 38,807,508	\$ (97,660)	\$ -	\$ 38,709,848
<i><u>Business-Type Activities:</u></i>				
Capital assets not being depreciated:				
Land	\$ 325,500	\$ -	\$ -	\$ 325,500
Construction in process	258,082	193,000	-	451,082
Total capital assets not being depreciated	583,582	193,000	-	776,582
Capital assets being depreciated:				
Buildings and improvements	13,048,407	-	-	13,048,407
Equipment and vehicles	1,556,785	-	-	1,556,785
Infrastructure	23,650,995	-	-	23,650,995
Total capital assets being depreciated	38,256,187	-	-	38,256,187
Less accumulated depreciation for:				
Buildings and improvements	(6,790,661)	(336,185)	-	(7,126,846)
Equipment and vehicles	(771,042)	(78,146)	-	(849,188)
Infrastructure	(10,329,400)	(503,303)	-	(10,832,703)
Total accumulated depreciation	(17,891,103)	(917,634)	-	(18,808,737)
Total capital assets being depreciated, net	20,365,084	(917,634)	-	19,447,450
Total business-type activities capital assets, net	\$ 20,948,666	\$ (724,634)	\$ -	\$ 20,224,032

Capital asset activity for the Business-type activities by program, for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i><u>Business-type Activities: Water</u></i>				
Capital assets not being depreciated:				
Land	\$ 228,000	\$ -	\$ -	\$ 228,000
Construction in process	53,294	193,000	-	246,294
Total capital assets not being depreciated	281,294	193,000	-	474,294
Capital assets being depreciated:				
Infrastructure	7,440,905	-	-	7,440,905
Total capital assets being depreciated	7,440,905	-	-	7,440,905
Less accumulated depreciation for:				
Infrastructure	(892,641)	(93,992)	-	(986,633)
Total accumulated depreciation	(892,641)	(93,992)	-	(986,633)
Total capital assets being depreciated, net	6,548,264	(93,992)	-	6,454,272
Total Water capital assets, net	<u>\$ 6,829,558</u>	<u>\$ 99,008</u>	<u>\$ -</u>	<u>\$ 6,928,566</u>
<i><u>Business-type Activities: Sewer</u></i>				
Capital assets not being depreciated:				
Land	\$ 97,500	\$ -	\$ -	\$ 97,500
Construction in process	204,788	-	-	204,788
Total capital assets not being depreciated	302,288	-	-	302,288
Capital assets being depreciated:				
Buildings and improvements	13,048,407	-	-	13,048,407
Equipment and vehicles	1,556,785	-	-	1,556,785
Infrastructure	16,210,090	-	-	16,210,090
Total capital assets being depreciated	30,815,282	-	-	30,815,282
Less accumulated depreciation for:				
Buildings and improvements	(6,790,661)	(336,185)	-	(7,126,846)
Equipment and vehicles	(771,042)	(78,146)	-	(849,188)
Infrastructure	(9,436,759)	(409,311)	-	(9,846,070)
Total accumulated depreciation	(16,998,462)	(823,642)	-	(17,822,104)
Total capital assets being depreciated, net	13,816,820	(823,642)	-	12,993,178
Total Sewer capital assets, net	<u>\$ 14,119,108</u>	<u>\$ (823,642)</u>	<u>\$ -</u>	<u>\$ 13,295,466</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>		<b>Business-Type Activities:</b>	
General government	\$ 198,209	Water	\$ 93,992
Public safety	532,090	Sewer	823,642
Education	302,740		<u>\$ 917,634</u>
Public works	1,379,333		
Health and human services	13,513		
Culture and recreation	201,619		
	<u>\$ 2,627,504</u>		

#### **D. Interfund Receivables, Payables and Transfers**

The composition of interfund transfers for the fiscal year ended June 30, 2023 is as follows:

Transfers Out	Transfers In				Total
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water Enterprise Fund	
General Fund	\$ -	\$ 296,000	\$ 13,504	\$ -	\$ 309,504 (1)
ARPA Fund	-	-	-	193,000	193,000 (2)
Nonmajor Governmental Funds	1,792,255	-	-	-	1,792,255 (3)
Total	<u>\$ 1,792,255</u>	<u>\$ 296,000</u>	<u>\$ 13,504</u>	<u>\$ 193,000</u>	<u>\$ 2,294,759</u>

(1) Transfers to capital projects fund for debt paydowns and to nonmajor governmental funds for human services.

(2) Transfers to water enterprise for water capital paid from ARPA grant funds.

(3) Transfers to general fund to supplement operating budgets and close out surplus funds.

#### **E. Temporary Debt**

The Town is authorized to borrow on a temporary basis to fund the following:

**Current Operating Costs** – Prior to the collection of revenues, expenditures may be financed through the issuance of revenue (RANs) or tax anticipation notes (TANs).

**Capital Projects and Other Approved Costs** – Projects may be temporarily funded through the issuance of bond anticipation notes (BANs) or grant anticipation notes (GANs). In certain cases, prior to the issuance of these temporary notes, the governing body must take the necessary legal steps to authorize the issuance of the general obligation bonds. Temporary notes may not exceed the aggregate amount of bonds authorized or the grant award amount.

Temporary notes are general obligations of the Town and carry maturity dates that are limited by state law.

Temporary notes outstanding at June 30, 2024, are payable as follows:

Type	Interest Rate	Maturity Date	Beginning Balance	Additions	Retirements	Ending Balance
BAN	4.40%	Matured	\$ 591,000	\$ -	\$ (591,000)	\$ -
BAN	4.70%	8/22/24	-	295,000	-	295,000
Total Governmental Notes			<u>\$ 591,000</u>	<u>\$ 295,000</u>	<u>\$ (591,000)</u>	<u>\$ 295,000</u>

Temporary notes were issued within the governmental funds primarily for a field improvements, a fire tanker and a fire truck.

#### F. Long-Term Liability Obligations

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds and notes have been issued for both governmental and business-type activities. Additionally, the Town incurs various other long-term obligations relative to associated personnel costs.

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5.0 percent of its equalized valuation. Debt issued in accordance with this section of the law is designated as being “inside the debt limit.” In addition, the Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being “outside the debt limit”.

Authorized and Unissued Debt – At June 30, 2024, the Town had authorized, and unissued debt as follows:

Project	Amount
<i>Governmental:</i>	
Cap Old Town Landfill	\$ 2,000,000
Total Authorized and Unissued	<u>\$ 2,000,000</u>

The following reflects the current year activity in the long-term liability accounts:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
<u><b>Governmental Activities:</b></u>					
General obligation bonds	\$ 2,240,000	\$ -	\$ (245,000)	\$ 1,995,000	\$ 250,000
Landfill closure	3,750,000	450,000	(15,000)	4,185,000	15,000
Compensated absences	532,774	170,961	(133,194)	570,541	142,635
Net other postemployment benefits liability	6,224,393	4,671,059	(5,307,226)	5,588,226	-
Net pension liability	23,267,763	7,375,898	(5,705,948)	24,937,713	-
<b>Total Governmental Activities</b>	<b>\$ 36,014,930</b>	<b>\$ 12,667,918</b>	<b>\$ (11,406,368)</b>	<b>\$ 37,276,480</b>	<b>\$ 407,635</b>
<u><b>Business-Type Activities - Water:</b></u>					
Notes from direct borrowings and placements	\$ 41,260	\$ -	\$ (20,602)	\$ 20,658	\$ 20,658
Net other postemployment benefits liability	34,629	25,987	(29,526)	31,090	-
Net pension liability	315,463	100,002	(77,361)	338,104	-
Total Water	391,352	125,989	(127,489)	389,852	20,658
<u><b>Business-Type Activities - Sewer:</b></u>					
Notes from direct borrowings and placements	1,045,110	-	(121,725)	923,385	124,171
Net other postemployment benefits liability	17,022	12,774	(14,514)	15,282	-
Net pension liability	315,463	100,002	(77,361)	338,104	-
Total Sewer	1,377,595	112,776	(213,600)	1,276,771	124,171
<b>Total Business-Type Activities</b>	<b>\$ 1,768,947</b>	<b>\$ 238,765</b>	<b>\$ (341,089)</b>	<b>\$ 1,666,623</b>	<b>\$ 144,829</b>
<b>Total Long-term Obligations</b>	<b>\$ 37,783,877</b>	<b>\$ 12,906,683</b>	<b>\$ (11,747,457)</b>	<b>\$ 38,943,103</b>	<b>\$ 552,464</b>

The governmental activities liabilities will be liquidated by the general fund. The business-type activities liabilities will be liquidated by the sewer and water enterprise fund.

The following is a summary of outstanding long-term debt obligations as of June 30, 2024:

Description of Issue	Interest Rate	Beginning Balance	Additions	Maturities	Ending Balance
<u><b>Governmental Activities:</b></u>					
General Obligation Bonds	2.5 - 4.0%	\$ 2,240,000	\$ -	\$ (245,000)	\$ 1,995,000
<b>Total Governmental Activities</b>		<b>\$ 2,240,000</b>	<b>\$ -</b>	<b>\$ (245,000)</b>	<b>\$ 1,995,000</b>
<u><b>Business-Type Activities - Water:</b></u>					
Massachusetts Clean Water Trust	2.00%	\$ 41,260	\$ -	\$ (20,602)	\$ 20,658
Total Water Activities		41,260	-	(20,602)	20,658
<u><b>Business-Type Activities - Sewer:</b></u>					
Massachusetts Clean Water Trust	2.00%	1,045,110	-	(121,725)	923,385
Total Sewer Activities		1,045,110	-	(121,725)	923,385
<b>Total Business-Type Activities, net</b>		<b>\$ 1,086,370</b>	<b>\$ -</b>	<b>\$ (142,327)</b>	<b>\$ 944,043</b>

Payments on general long-term debt bonds and notes due in future years consist of the following:

Year Ending June 30	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
<i>Governmental Activities</i>				
2025	\$ 250,000	\$ 62,150	\$ -	\$ -
2026	75,000	51,325	-	-
2027	75,000	47,575	-	-
2028	80,000	43,700	-	-
2029	90,000	39,450	-	-
2030-2034	495,000	136,150	-	-
2035-2039	565,000	65,250	-	-
2040-2042	365,000	11,050	-	-
Total	<u>\$ 1,995,000</u>	<u>\$ 456,650</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Business-Type Activities - Water</i>				
2025	\$ -	\$ -	\$ 20,658	\$ 28
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,658</u>	<u>\$ 28</u>
<i>Business-Type Activities - Sewer</i>				
2025	\$ -	\$ -	\$ 124,171	\$ 17,226
2026	-	-	126,666	14,718
2027	-	-	129,211	12,159
2028	-	-	131,808	9,549
2029	-	-	134,456	6,886
2030-2031	-	-	277,073	5,569
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 923,385</u>	<u>\$ 66,107</u>

## II. Other Information

### A. Retirement System

*Retirement System Description* – The Town contributes to the Worcester Regional Retirement System (the “System”), a cost-sharing multiple-employer defined benefit pension plan established under Chapter 32 of the Commonwealth of Massachusetts General Laws (“MGL”) and administered by Worcester Regional Retirement Board (the “Board”). Standalone audited financial statements for the year ended December 31, 2023 were issued and may be obtained by writing to the Board at Worcester Regional Retirement System, 23 Midstate Drive, Auburn, MA 01501.



Membership – Membership in the System as of December 31, 2023, was as follows:

Retirees and beneficiaries currently receiving benefits	4,362
Active plan members	7,656
Inactive plan members	<u>3,467</u>
Total	<u><u>15,485</u></u>

Benefit Terms – Membership in the System is mandatory for all full-time employees and non-seasonal, part-time employees who, in general, regularly work more than twenty hours per week. Teachers and certain administrative personnel employed by the Town’s school department participate in a separate pension plan administered by the Massachusetts Teachers’ System, which is the legal responsibility of the Commonwealth of Massachusetts. Members of the System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform from retirement system to retirement system. The System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest three-year or five-year average annual rate of regular compensation, depending on the participant’s date of hire. Benefit payments are based upon a participant’s age, length of creditable service, level of compensation and job classification.

The most common benefits paid by the System include normal retirement, disability retirement and survivor benefits.

Normal retirement generally occurs at age 65. However, participants may retire after twenty years of service or at any time after attaining age 55, if hired prior to April 2, 2012 or at any time after attaining age 60 if hired on or after April 2, 2012. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years’ creditable service in order to retire at age 55. Participants become vested after ten years of service. Benefits commencing before age 65 are provided at a reduced rate. Members working in certain occupations may retire with full benefits earlier than age 65.

Ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. Accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of duty. The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of service, average compensation and veteran status.

Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

Cost-of-living adjustments granted to members of Massachusetts retirement systems between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth during those years have been the financial responsibility of the Commonwealth. Beginning in 1998, the funding of cost-of-living amounts became the responsibility of the participating units like the System.

The System may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified

in sections or provisions of such laws. There were no significant changes to the System's benefit terms during the year ended December 31, 2023.

Contributions Requirements – The Town has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method.

The Town contributed \$2,188,183 to the System in fiscal year 2024, which equaled the actuarially-determined contribution requirement for the fiscal year.

Net Pension Liability – At June 30, 2024, the Town reported a liability of \$25,613,921 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 and rolled forward to the measurement date of December 31, 2023. The investment rate of return decrease from 7.25% to 7.125% was the only material change to the actuarial assumptions.

The Town's proportion of the net pension liability is based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all employers. The Town's proportion was approximately 2.45% on December 31, 2023, which was higher than the 2.32% proportion measured at December 31, 2022.

Pension Expense – The Town recognized \$3,214,899 in pension expense in the statement of activities in fiscal year 2024.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 204,866	\$ 537,755
Net differences between projected and actual earnings on pension plan investments	1,021,498	-
Changes of assumptions	1,543,788	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,590,851	74,910
Total	<u>\$ 4,361,003</u>	<u>\$ 612,665</u>

The deferred outflows of resources and deferred inflows of resources are expected to be recognized in the Town's pension expense as follows:

<u>Year ended June 30,</u>		
2025	\$	1,028,939
2026		976,351
2027		1,373,352
2028		160,196
2029		209,500
Total	\$	<u>3,748,338</u>

Sensitivity Analysis – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.125% as well as the Town's proportionate share of the net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Discount Rate</u>			
	<u>Current Rate</u>	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Town proportionate share of net pension liability	7.125%	\$ 31,509,438	\$ 25,613,921	\$ 20,635,348

Actuarial Valuation – The measurement of the System's total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2022.

The significant actuarial assumptions used in the January 1, 2022 actuarial valuation included:

Actuarial cost method	Entry Age Normal
Amortization method	Increasing dollar amount at 4%. Annual increase in appropriation is further limited to 9.95%
Remaining amortization period	14 years (2036)
Asset valuation method	Fair value adjusted to phase-in investment gains and losses over a 5-year period.
Investment rate of return / discount rate	7.125%, net of pension plan investment expense, including inflation
Projected salary increases	Group 1: 4.25 - 6.00%, based on service Group 4: 4.75 - 7.00%, based on service
Inflation rate	2.4% per year
Mortality rates:	
Healthy retiree	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2021.
Disabled retiree	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2021, set forward one year.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	36%	4.58%
Fixed Income	15%	2.40%
Value-Added Fixed Income	9%	5.30%
Private equity	16%	7.70%
Real Estate	10%	4.10%
Timber/Natural Resources	4%	4.60%
Portfolio Completion (PCS)	10%	3.90%

Discount Rate – The discount rate used to measure the total pension liability was 7.125%, which was lower than the 7.25% used in the prior year. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be in accordance with Sections 22D and 22F of Chapter 32 of the Massachusetts General Laws. Based on those assumptions, the pension plan'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.

## **B. Other Postemployment Benefits (OPEB)**

The Town administers a single-employer defined benefit healthcare plan (the "OPEB Plan") that provides health, dental and life insurance benefits (other postemployment benefits) to retirees and their dependents/beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B. The OPEB Plan does not issue a stand-alone financial report and is presented as a fiduciary fund in the Town's financial statements.

An employee shall become eligible to retire under this plan upon the completion of 10 years of creditable service and the attainment of age 55 as an active member or with 20 years of service regardless of age.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and Town ordinance. All benefits are provided through the Town's premium-based insurance programs, and these include comprehensive medical insurance and life insurance.

OPEB Plan disclosures that impact the Town's net OPEB liability using a measurement date of June 30, 2023, are summarized as follows:

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of the July 1, 2022 actuarial valuation date:

Active employees	112
Inactives currently receiving benefits	<u>64</u>
Total	<u><u>176</u></u>

Contributions – The contribution requirements of OPEB Plan members and the Town are established and may be amended by the Town. Retirees contributed 50% of the set premium for medical and life insurance during fiscal 2024. The remainder of the cost is funded by the Town.

The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the OPEB Plan are paid by the Town. For the year ended June 30, 2024, the Town's average contribution rate was 7.4% of covered-employee payroll which was approximately \$8.3 million.

Net OPEB Liability – The components of the net OPEB liability was measured as of June 30, 2024, using an actuarial valuation as of July 1, 2022. The components of the net OPEB liability of the Town on June 30, 2024, were as follows:

Total OPEB Liability	\$ 8,621,996
Plan fiduciary net position	<u>(2,987,398)</u>
Net OPEB liability	<u><u>\$ 5,634,598</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	34.65%

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair value of the assets as of June 30, 2024
Investment rate of return	6.5%, net of OPEB plan investment expense
Single Equivalent Discount Rate	6.5%, net of OPEB plan investment expense
Inflation	2.5% as of June 30, 2024 and for future periods.
Health Care Trend Rate	8.0% decreasing to 4.1%
Salary Increases	3.5% annually as of June 30, 2024 and for future periods.
Mortality:	
Pre-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2020
Post-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2020
Disabled Mortality	General: RP-2014 Mortality Table for Blue Collar Mortality Table projected generationally with scale MP-2020

Key Changes in Assumptions – Key assumption changes for fiscal year 2024 included:

Increase in investment rate of return from 6.0% to 6.5%  
Increase in discount rate from 6.0% to 6.5%

Discount Rate – The discount rate used to measure the total OPEB liability was 6.5% which was the expected long-term rate of return on investments.

Long Term Expected Rate of Return – The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table:

Asset Class	Target Allocation	Investment Rate of Return
Domestic Equity	34.00%	4.24%
Domestic Fixed Income	20.00%	1.84%
International Equity	22.00%	5.34%
International Fixed Income	4.00%	1.68%
Alternatives	20.00%	5.10%
Cash and Cash Equivalents	0.00%	0.00%
	100.00%	

*Sensitivity Analyses* – 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 1.0% lower or 1.0% higher than the current discount rate as well as if the healthcare cost trend rates are 1% lower or higher than the current healthcare cost trend rates:

	Discount Rate			
	Current Rate	1% Decrease	Current	1% Increase
Net OPEB Liability	6.5%	\$ 6,943,157	\$ 5,634,598	\$ 4,580,103

	Health Care Trend Rate			
	Current Rate	1% Decrease	Current	1% Increase
Net OPEB Liability	8.0% > 4.1%	\$ 4,350,894	\$ 5,634,598	\$ 7,272,477

*Changes in the Net OPEB Liability* – The following table summarizes the changes in the net OPEB liability:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 8,704,962	\$ 2,428,918	\$ 6,276,044
Changes for the year:			
Service cost	361,046	-	\$ 361,046
Interest	533,187	-	533,187
Changes in assumptions	(618,090)	-	(618,090)
Employer contributions	-	613,109	(613,109)
Net investment income	-	304,480	(304,480)
Benefit payments	(359,109)	(359,109)	-
Net changes	(82,966)	558,480	(641,446)
Balances at June 30, 2024	\$ 8,621,996	\$ 2,987,398	\$ 5,634,598

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB* – For the year ended June 30, 2024, the Town recognized OPEB income of \$134,350. Deferred outflows of resources and deferred inflows of resources related to OPEB on June 30, 2024, were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 1,576,627
Change in assumptions	1,143,733	2,978,622
Net difference between projected and actual earings on OPEB plan investments	-	48,558
	<u>\$ 1,143,733</u>	<u>\$ 4,603,807</u>

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

Year Ended June 30,	Amount
2025	\$ (884,485)
2026	(788,565)
2027	(876,435)
2028	(627,006)
2029	(155,270)
Thereafter	<u>(128,313)</u>
Total	<u>\$ (3,460,074)</u>

**Investment Custody** – In accordance with Massachusetts General Laws, the Town Treasurer is the custodian of the OPEB Plan and since the Town has not designated a Board of Trustees, the Town Treasurer is also the Trustee and as such is responsible for the general supervision of the management, investment and reinvestment of the OPEB Plan assets. OPEB Plan assets may be invested and reinvested by the custodian consistent with the prudent investor rule established in Chapter 203C and may, with the approval of the State Retiree Benefits Trust Fund Board of Trustees, be invested in the State Retiree Benefits Trust Fund established in Section 24 of Chapter 32A. OPEB Plan assets must be segregated from other funds and not be subject to the claims of any general creditor of the Town.

**Investment Rate of Return** – For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### C. Risk Financing

The Town is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town is a member of the Hampshire County Group Insurance Trust, which is a health insurance risk-pool consisting of over 60 governmental units. The Trust offers a variety of premium based plans to its members with each participating governmental unit charged a



premium for coverage based on rates established by the Group. The Town is obligated to pay the Trust its required premiums and, in the event the group is terminated, it proportionate share of a deficit, should one exist.

#### **D. Commitments and Contingencies**

General - The Town is party to certain other legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability, if any, at June 30, 2024, cannot be ascertained, management believes that any resulting liability, if any, should not materially affect the basic financial statements of the Town at June 30, 2024.

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

Arbitrage - The Town is subject to Federal arbitrage laws regarding its long-term borrowing agreements. Failure to comply with the rules could result in penalties. The amount of penalties, if any, cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

#### **E. Tax Abatements Related to Economic Incentives**

Commercial and Industrial – Under MGL, a municipality has the ability to enter into tax increment financing, or TIF, agreements with local businesses as an incentive for economic growth. While these TIF agreements are deemed property tax abatements under GAAP, for the purposes of these basic financial statements, no property taxes are abated. Rather, the tax liability resulting from the new growth created by the required investment under a TIF agreement is phased in over a number of years. The tax liability for the existing assessed value of the property at the time the TIF agreement is executed is unchanged and continues to be paid throughout the term of the TIF agreement. In addition to a required investment in the property, the TIF agreement also requires retention of existing jobs as well as the creation of new jobs. Pursuant to MGL, property owners may be granted property tax exemptions ranging from 100% to 5% of the assessed value of the incremental investment for a maximum term of twenty years.

TIF agreements must first be approved by the Town Meeting, then presented to the Massachusetts Economic Assistance Coordinating Council for final approval and signed by the Governor.

In April 2022 the Town entered into a TIF agreement with a national online retailer and technology company which will be in effect over a ten-year period beginning fiscal 2025. The benefits begin with a 55% exemption in fiscal 2025 and phases down to 10% in fiscal 2034. The major terms to the agreement call for the company to make timely payments of all property taxes owed, create 1,000 permanent full-time jobs by the second year of the exemption and invest \$300,000,000 into the facility.

The agreement is anticipated to create a maximum \$11,642,250 property tax exemption over the ten-year period covered by the agreement and generate \$18,995,250 in property taxes.

## **F. Landfill Closure and Post-Closure Care Costs**

The Town's landfill is closed, and a final cover has been installed in accordance with Federal and State laws and regulations. Those laws and regulations also require the Town to perform certain maintenance and monitoring functions ("post-closure care") at the site for 30 years after the landfill cover is installed. In accordance with generally accepted accounting principles, the estimated remaining cost of monitoring; \$4,185,000 has been recorded as a governmental activities' liability; actual costs may be higher due to inflation, changes in technology, or changes in regulations.

## **G. Implementation of New GASB Pronouncements**

### **Current Year Implementations**

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2023 (fiscal year 2024). The adoption of this accounting standard did not have a material effect on the Town's financial statements.

### **Future Year Implementations**

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2023 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In December 2023, the GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2024 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2025 (fiscal year 2026). The Town is currently evaluating whether adoption will have a material impact on its financial statements.

## **Required Supplementary Information**

**TOWN OF CHARLTON, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**YEAR ENDED JUNE 30, 2024**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended December 31,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	2.45%	\$ 25,613,921	\$ 7,144,045	358.54%	50.40%
2022	2.32%	23,898,689	6,766,038	353.22%	48.19%
2021	2.33%	19,648,787	6,671,498	294.52%	56.20%
2020	2.22%	19,695,681	6,525,375	301.83%	50.30%
2019	2.23%	19,804,393	5,987,940	330.74%	47.36%
2018	2.09%	18,977,826	5,437,905	348.99%	43.05%
2017	2.10%	17,132,029	5,223,794	327.96%	46.40%
2016	2.05%	17,132,615	4,918,473	348.33%	42.00%
2015	2.05%	14,526,605	5,097,497	284.98%	44.52%
2014	1.88%	11,178,241	4,901,411	228.06%	47.94%

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO PENSION PLAN**

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 2,188,183	\$ 2,188,183	\$ -	\$ 7,251,206	30.18%
2023	1,889,749	1,889,749	-	6,867,529	27.52%
2022	1,725,580	1,725,580	-	6,771,570	25.48%
2021	1,491,343	1,491,343	-	6,623,256	22.52%
2020	1,354,689	1,354,689	-	6,077,759	22.29%
2019	1,165,224	1,165,224	-	5,519,474	21.11%
2018	1,063,085	1,063,085	-	5,302,151	20.05%
2017	993,577	993,577	-	4,992,250	19.90%
2016	920,665	920,665	-	5,173,959	17.79%
2015	742,358	742,358	-	4,974,932	14.92%

See accompanying independent auditors' report.

TOWN OF CHARLTON, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2024

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:								
Service cost	\$ 361,046	\$ 295,408	\$ 286,445	\$ 306,480	\$ 697,338	\$ 551,588	\$ 576,851	\$ 695,524
Interest	533,187	522,391	493,579	589,300	514,743	479,365	441,303	382,780
Change in assumptions	-	662,881	(29,975)	428,092	(5,542,996)	1,364,754	(670,104)	(1,768,693)
Differences between expected and actual experience	(618,090)	-	-	-	(239,864)	-	-	-
Changes in assumptions	-	(340,500)	-	(2,162,914)	-	(539,917)	-	-
Benefit payments	(359,109)	(353,190)	(278,300)	(277,246)	(313,897)	(296,839)	(282,778)	(256,817)
Net change in total OPEB liability	(82,966)	786,990	471,749	(1,116,288)	(4,884,676)	1,558,951	65,272	(947,206)
Total OPEB liability - beginning of year	8,704,962	7,917,972	7,446,223	8,562,511	13,447,187	11,888,236	11,822,964	12,770,170
Total OPEB liability - end of year (a)	<u>\$ 8,621,996</u>	<u>\$ 8,704,962</u>	<u>\$ 7,917,972</u>	<u>\$ 7,446,223</u>	<u>\$ 8,562,511</u>	<u>\$ 13,447,187</u>	<u>\$ 11,888,236</u>	<u>\$ 11,822,964</u>
Plan fiduciary net position:								
Contributions - employer	\$ 613,109	\$ 854,990	\$ 534,600	\$ 545,072	\$ 549,513	\$ 421,365	\$ 416,099	\$ 256,817
Net investment income	304,480	183,168	(265,223)	327,336	27,140	45,860	32,180	41,766
Benefit payments	(359,109)	(353,190)	(278,300)	(277,246)	(313,897)	(296,839)	(282,778)	(256,817)
Net change in Plan fiduciary net position	558,480	684,968	(8,923)	595,162	262,756	170,386	165,501	41,766
Plan fiduciary net position - beginning of year	2,428,918	1,743,950	1,752,873	1,157,711	894,955	724,569	559,068	517,302
Plan fiduciary net position - end of year (b)	<u>\$ 2,987,398</u>	<u>\$ 2,428,918</u>	<u>\$ 1,743,950</u>	<u>\$ 1,752,873</u>	<u>\$ 1,157,711</u>	<u>\$ 894,955</u>	<u>\$ 724,569</u>	<u>\$ 559,068</u>
Net OPEB liability - end of year (a) - (b)	<u>\$ 5,634,598</u>	<u>\$ 6,276,044</u>	<u>\$ 6,174,022</u>	<u>\$ 5,693,350</u>	<u>\$ 7,404,800</u>	<u>\$ 12,552,232</u>	<u>\$ 11,163,667</u>	<u>\$ 11,263,896</u>
Plan fiduciary net position as a percentage of the total OPEB liability	34.65%	27.90%	22.03%	23.54%	13.52%	6.66%	6.09%	4.73%
Covered-employee payroll	\$ 8,265,014	\$ 8,321,816	\$ 7,959,475	\$ 8,807,636	\$ 7,105,231	\$ 6,065,778	\$ 5,810,726	\$ 5,512,169
Net OPEB liability as a percentage of covered-employee payroll	68.17%	75.42%	77.57%	64.64%	104.22%	206.94%	192.12%	204.35%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.

However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

TOWN OF CHARLTON, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2024

SCHEDULE OF CONTRIBUTIONS

	Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially-determined contribution	\$ 838,679	\$ 787,315	\$ 740,967	\$ 908,817	\$ 1,420,810	\$ 1,210,761	\$ 1,217,671	\$ 1,082,402
Contributions in relation to the actuarially-determined contribution	(613,109)	(854,990)	(534,600)	(545,072)	(549,513)	(421,365)	(416,099)	(256,817)
Contribution deficiency (excess)	\$ 225,570	\$ (67,675)	\$ 206,367	\$ 363,745	\$ 871,297	\$ 789,396	\$ 801,572	\$ 825,585
Covered-employee payroll	\$ 8,265,014	\$ 8,321,816	\$ 7,959,475	\$ 8,807,636	\$ 7,105,231	\$ 6,065,778	\$ 5,810,726	\$ 5,512,169
Contribution as a percentage of covered-employee payroll	7.42%	10.27%	6.72%	6.19%	7.73%	6.95%	7.16%	4.66%
Valuation date	July 1, 2022							
Amortization period	30 years							
Investment rate of return	6.50%							
Municipal bond rate	3.93%							
Single equivalent discount rate	6.50%							
Healthcare cost trend rates	8.0% > 4.1%							
Salary increases	3.50%							
Inflation	2.50%							
Actuarial cost method	Individual Entry Age Normal (for all years presented)							
Asset valuation method	Fair Value of Assets as of Reporting Date (for all years presented)							

SCHEDULE OF INVESTMENT RETURNS

	Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	8.63%	9.21%	-14.75%	25.49%	2.79%	5.99%	5.65%	8.07%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditor's report.

## TOWN OF CHARLTON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary		Budgetary	Positive
	Budget	Budget	Amounts	Encumbrances	Adjusted	(Negative)
<b>Revenues:</b>						
Property taxes	\$ 31,240,335	\$ 31,901,285	\$ 32,176,720		\$ 32,176,720	\$ 275,435
Intergovernmental	1,822,962	1,822,962	1,826,378		1,826,378	3,416
Motor vehicle and other excises	2,303,569	2,303,569	2,953,148		2,953,148	649,579
Licenses and permits	260,000	260,000	872,970		872,970	612,970
Departmental and other revenue	331,431	331,431	468,649		468,649	137,218
Penalties and interest on taxes	100,000	100,000	173,878		173,878	73,878
Fines and forfeitures	60,000	60,000	67,261		67,261	7,261
Investment income	30,000	30,000	331,821		331,821	301,821
Total Revenues	36,148,297	36,809,247	38,870,825		38,870,825	2,061,578
<b>Expenditures:</b>						
<i>General Government:</i>						
Moderator:						
Personnel	-	150	150	-	150	-
	-	150	150	-	150	-
Select Board:						
Personnel	286,350	298,274	297,602	-	297,602	672
Expenses	71,000	61,969	25,894	387	26,281	35,688
Articles	11,329	81,329	1,950	79,379	81,329	-
	368,679	441,572	325,446	79,766	405,212	36,360
Finance Committee:						
Expenses	152,000	152,000	6,668	-	6,668	145,332
	152,000	152,000	6,668	-	6,668	145,332
Town Accountant/Financial Services:						
Personnel	172,650	176,078	174,901	-	174,901	1,177
Expenses	103,900	103,900	54,273	36,000	90,273	13,627
	276,550	279,978	229,174	36,000	265,174	14,804
Board of Assessors:						
Personnel	206,600	211,900	202,271	-	202,271	9,629
Expenses	43,923	43,923	43,006	-	43,006	917
	250,523	255,823	245,277	-	245,277	10,546
Treasurer/Collector:						
Personnel	200,400	199,909	189,891	-	189,891	10,018
Expenses	81,206	81,697	32,993	24,735	57,728	23,969
	281,606	281,606	222,884	24,735	247,619	33,987
Town Counsel:						
Expenses	111,000	141,107	141,107	-	141,107	-
	111,000	141,107	141,107	-	141,107	-
Human Resources:						
Personnel	332,327	314,310	275,550	-	275,550	38,760
Expenses	7,800	12,800	8,411	4,620	13,031	(231)
Articles	14,741	14,741	-	14,741	14,741	-
	354,868	341,851	283,961	19,361	303,322	38,529
Town Clerk:						
Personnel	164,500	158,058	154,506	-	154,506	3,552
Expenses	25,273	31,715	32,301	-	32,301	(586)
	189,773	189,773	186,807	-	186,807	2,966
Conservation Commission:						
Personnel	115,300	115,300	93,969	-	93,969	21,331
Expenses	161,020	161,020	86,934	8,637	95,571	65,449
Articles	326,908	352,908	174,440	178,468	352,908	-
	603,228	629,228	355,343	187,105	542,448	86,780

## TOWN OF CHARLTON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
Central Mass Regional Planning:						
Expenses	4,300	4,300	4,106	-	4,106	194
	4,300	4,300	4,106	-	4,106	194
Fay Mountain Farm:						
Articles	11,728	11,728	-	11,728	11,728	-
	11,728	11,728	-	11,728	11,728	-
Planning Board:						
Personnel	150,400	159,400	156,033	-	156,033	3,367
Expenses	8,904	8,904	3,923	-	3,923	4,981
Articles	61,300	61,300	-	61,300	61,300	-
	220,604	229,604	159,956	61,300	221,256	8,348
Board of Appeals:						
Personnel	6,000	6,000	4,000	-	4,000	2,000
Expenses	3,500	3,500	1,723	283	2,006	1,494
	9,500	9,500	5,723	283	6,006	3,494
Economic Development:						
Expenses	1,800	1,800	303	-	303	1,497
	1,800	1,800	303	-	303	1,497
Municipal Offices:						
Personnel	104,800	104,800	101,959	-	101,959	2,841
Expenses	401,794	451,794	413,917	21,982	435,899	15,895
Articles	7,585	107,585	-	107,585	107,585	-
	514,179	664,179	515,876	129,567	645,443	18,736
Technology:						
Personnel	74,800	74,800	72,994	-	72,994	1,806
Expenses	309,300	309,300	270,305	-	270,305	38,995
Articles	123,501	198,501	42,446	156,055	198,501	-
	507,601	582,601	385,745	156,055	541,800	40,801
Cable Account:						
Personnel	70,700	57,800	56,971	-	56,971	829
Expenses	20,800	33,700	23,174	7,865	31,039	2,661
	91,500	91,500	80,145	7,865	88,010	3,490
Town Reports:						
Expenses	2,000	2,000	2,000	-	2,000	-
	2,000	2,000	2,000	-	2,000	-
Municipal Gas & Diesel:						
Expenses	185,000	240,000	221,407	2,203	223,610	16,390
Articles	4,308	4,308	-	4,308	4,308	-
	189,308	244,308	221,407	6,511	227,918	16,390
Other Town:						
Articles	14,000	14,000	-	14,000	14,000	-
	14,000	14,000	-	14,000	14,000	-
General Insurance:						
Expenses	409,500	427,994	427,748	-	427,748	246
	409,500	427,994	427,748	-	427,748	246
<i>Total General Government</i>	<i>4,564,247</i>	<i>4,996,602</i>	<i>3,799,826</i>	<i>734,276</i>	<i>4,534,102</i>	<i>462,500</i>

(continued)



## TOWN OF CHARLTON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary		Budgetary	Positive
	Budget	Budget	Amounts	Encumbrances	Adjusted	(Negative)
<i>Public Safety:</i>						
Police:						
Personnel	3,025,918	2,834,090	2,776,539	-	2,776,539	57,551
Expenses	270,807	592,635	582,652	54	582,706	9,929
Articles	391,123	616,123	231,620	384,503	616,123	-
	<u>3,687,848</u>	<u>4,042,848</u>	<u>3,590,811</u>	<u>384,557</u>	<u>3,975,368</u>	<u>67,480</u>
Fire/EMS:						
Personnel	2,624,100	2,553,405	2,257,191	-	2,257,191	296,214
Expenses	406,999	477,694	369,883	11,419	381,302	96,392
Articles	445,526	1,270,526	834,137	436,389	1,270,526	-
	<u>3,476,625</u>	<u>4,301,625</u>	<u>3,461,211</u>	<u>447,808</u>	<u>3,909,019</u>	<u>392,606</u>
Building Department:						
Personnel	201,500	209,526	208,903	-	208,903	623
Expenses	3,200	3,200	2,176	885	3,061	139
Articles	-	200,000	200,000	-	200,000	-
	<u>204,700</u>	<u>412,726</u>	<u>411,079</u>	<u>885</u>	<u>411,964</u>	<u>762</u>
Sealer of Weights & Measures:						
Personnel	4,000	4,000	3,667	-	3,667	333
Expenses	733	733	719	-	719	14
	<u>4,733</u>	<u>4,733</u>	<u>4,386</u>	<u>-</u>	<u>4,386</u>	<u>347</u>
Animal Control:						
Personnel	60,400	60,400	59,926	-	59,926	474
Expenses	4,700	4,700	4,391	-	4,391	309
	<u>65,100</u>	<u>65,100</u>	<u>64,317</u>	<u>-</u>	<u>64,317</u>	<u>783</u>
Tree Warden:						
Articles	15,292	15,292	-	15,292	15,292	-
	<u>15,292</u>	<u>15,292</u>	<u>-</u>	<u>15,292</u>	<u>15,292</u>	<u>-</u>
<i>Total Public Safety</i>	<u>7,454,298</u>	<u>8,842,324</u>	<u>7,531,804</u>	<u>848,542</u>	<u>8,380,346</u>	<u>461,978</u>
<i>Education:</i>						
Dudley Charlton Regional School District:						
Expenses - operating assessment	15,697,758	15,567,758	15,560,780	-	15,560,780	6,978
Expenses - capital assessment	108,799	108,799	108,799	-	108,799	-
Expenses - transportation	1,168,302	1,168,302	1,168,302	-	1,168,302	-
Articles	537,000	-	-	-	-	-
	<u>17,511,859</u>	<u>16,844,859</u>	<u>16,837,881</u>	<u>-</u>	<u>16,837,881</u>	<u>6,978</u>
Bay Path Regional Vocational School District						
Expenses - operating assessment	2,262,469	2,262,469	2,184,062	-	2,184,062	78,407
Expenses - capital assessment	24,612	188,582	188,582	-	188,582	-
Expenses - transportation	188,582	24,612	24,612	-	24,612	-
	<u>2,475,663</u>	<u>2,475,663</u>	<u>2,397,256</u>	<u>-</u>	<u>2,397,256</u>	<u>78,407</u>
<i>Total Education</i>	<u>19,987,522</u>	<u>19,320,522</u>	<u>19,235,137</u>	<u>-</u>	<u>19,235,137</u>	<u>85,385</u>
<i>Public Works:</i>						
Highway Department:						
Personnel	896,600	898,162	892,049	-	892,049	6,113
Expenses	339,192	339,192	313,874	-	313,874	25,318
Capital	150,000	148,400	99,760	-	99,760	48,640
Articles	457,265	457,265	214,765	242,500	457,265	-
	<u>1,843,057</u>	<u>1,843,019</u>	<u>1,520,448</u>	<u>242,500</u>	<u>1,762,948</u>	<u>80,071</u>

## TOWN OF CHARLTON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
Snow and Ice Control:						
Personnel	53,500	64,992	64,992	-	64,992	-
Expenses	150,000	261,851	260,251	1,600	261,851	-
Articles	-	128,000	128,000	-	128,000	-
	203,500	454,843	453,243	1,600	454,843	-
Cemetery Department:						
Personnel	136,100	135,100	131,690	-	131,690	3,410
Expenses	14,000	18,000	16,980	-	16,980	1,020
Articles	33,558	48,558	13,864	34,694	48,558	-
	183,658	201,658	162,534	34,694	197,228	4,430
<i>Total Public Works</i>	<i>2,230,215</i>	<i>2,499,520</i>	<i>2,136,225</i>	<i>278,794</i>	<i>2,415,019</i>	<i>84,501</i>
<i>Health and Human Services:</i>						
Board of Health:						
Personnel	125,300	129,800	127,859	-	127,859	1,941
Expenses	274,000	274,000	269,184	-	269,184	4,816
Articles	2,907	372,907	78,711	294,196	372,907	-
	402,207	776,707	475,754	294,196	769,950	6,757
Council on Aging:						
Personnel	180,100	180,100	147,801	-	147,801	32,299
Expenses	20,000	22,000	21,140	-	21,140	860
Articles	801	801	150	651	801	-
	200,901	202,901	169,091	651	169,742	33,159
Veterans:						
Expenses	65,283	65,283	56,267	-	56,267	9,016
Articles	2,898	2,898	-	2,898	2,898	-
	68,181	68,181	56,267	2,898	59,165	9,016
<i>Total Health and Human Services</i>	<i>671,289</i>	<i>1,047,789</i>	<i>701,112</i>	<i>297,745</i>	<i>998,857</i>	<i>48,932</i>
<i>Culture and Recreation:</i>						
Library:						
Personnel	416,500	405,418	405,418	-	405,418	-
Expenses	165,961	183,043	178,159	4,884	183,043	-
Articles	205,449	425,949	32,901	393,048	425,949	-
	787,910	1,014,410	616,478	397,932	1,014,410	-
Recreation Department:						
Personnel	-	3,000	2,917	-	2,917	83
Expenses	8,300	8,300	6,849	-	6,849	1,451
Events	5,600	5,600	5,480	-	5,480	120
Articles	17,388	17,388	-	17,388	17,388	-
	31,288	34,288	15,246	17,388	32,634	1,654
Historical Commission:						
Expenses	1,000	1,000	200	-	200	800
Articles	845	845	-	845	845	-
	1,845	1,845	200	845	1,045	800
Historical District:						
Expenses	200	200	-	-	-	200
	200	200	-	-	-	200
<i>Total Culture and Recreation</i>	<i>821,243</i>	<i>1,050,743</i>	<i>631,924</i>	<i>416,165</i>	<i>1,048,089</i>	<i>2,654</i>

(continued)

## TOWN OF CHARLTON, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
<i>State and County Assessments</i>	116,802	116,802	116,808	-	116,808	(6)
<i>Debt Service:</i>						
Debt service - principal	200,000	245,000	245,000	-	245,000	-
Debt service - long-term interest	100,375	85,975	83,285	-	83,285	2,690
Debt service - short-term interest	19,000	19,000	15,300	-	15,300	3,700
<i>Total Debt Service</i>	319,375	349,975	343,585	-	343,585	6,390
<i>Pension and Fringe Benefits:</i>						
Retirement:						
Contributory pension	2,167,774	2,149,331	2,145,877	-	2,145,877	3,454
	2,167,774	2,149,331	2,145,877	-	2,145,877	3,454
Group Health Insurance:						
Expenses	1,785,050	1,727,657	1,563,112	-	1,563,112	164,545
	1,785,050	1,727,657	1,563,112	-	1,563,112	164,545
Group Health Insurance - Opt Out:						
Expenses	7,000	7,000	3,500	-	3,500	3,500
	7,000	7,000	3,500	-	3,500	3,500
Group Life Insurance:						
Expenses	6,000	5,691	4,572	-	4,572	1,119
	6,000	5,691	4,572	-	4,572	1,119
Medicare:						
Expenses	135,000	145,219	145,120	-	145,120	99
	135,000	145,219	145,120	-	145,120	99
Unemployment Compensation:						
Expenses	39,170	29,260	23,963	-	23,963	5,297
	39,170	29,260	23,963	-	23,963	5,297
Other post employment benefits:						
Expenses	100,000	250,000	250,000	-	250,000	-
	100,000	250,000	250,000	-	250,000	-
<i>Total Pension and Fringe Benefits</i>	4,239,994	4,314,158	4,136,144	-	4,136,144	178,014
<b>Total Expenditures</b>	<b>40,404,985</b>	<b>42,538,435</b>	<b>38,632,565</b>	<b>2,575,522</b>	<b>41,208,087</b>	<b>1,330,348</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,655,963	1,853,963	1,792,255	-	1,792,255	(61,708)
Transfers out	(296,000)	(1,659,504)	(1,659,504)	-	(1,659,504)	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,359,963</b>	<b>194,459</b>	<b>132,751</b>		<b>\$ 132,751</b>	<b>(61,708)</b>
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures/Uses Of Prior Year Budgetary Fund Balance</i>	<u>(2,896,725)</u>	<u>(5,534,729)</u>	<u>\$ 371,011</u>			<u>\$ 3,330,218</u>
<b>Other Budgetary Items</b>						
Use of unreserved fund balance	\$ 300,000	\$ 2,938,004				
Prior year encumbrances and articles	2,594,641	2,594,641				
Reserve for bond premiums	2,084	2,084				
<b>Total other budgetary items</b>	<b>2,896,725</b>	<b>5,534,729</b>				
<b>Net budget and actual</b>	<b>\$ -</b>	<b>\$ -</b>				

(Concluded)

The notes to the financial statements are an integral part of this statement.

The notes to the required supplementary information are an integral part of this statement.

## TOWN OF CHARLTON, MASSACHUSETTS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2024

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#### I. Pension Plan

Pension Contributions – The Town contributes to the Worcester Regional Retirement System (the System), a cost-sharing multiple-employer contributory defined benefit pension plan established under Chapter 32 of Massachusetts General Law Chapter 32. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method. The pension appropriations are established by the Public Employee Retirement Administration Commission (PERAC) based on a funding schedule approved by the System.

Changes in Assumptions – The investment rate of return was decreased from 7.25% to 7.125%.

#### II. Other Postemployment Benefit Plan

The Town administers a single employer defined benefit healthcare plan that provides health, dental and life insurance benefits (other postemployment benefits) to retirees and their dependents/beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B. The Town is not required to fully fund the actuarially determined contribution.

Methods and assumptions used to determine contribution rates are as follows:

Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair value of the assets as of June 30, 2024
Investment rate of return	6.5%, net of OPEB plan investment expense
Single Equivalent Discount Rate	6.5%, net of OPEB plan investment expense
Inflation	2.5% as of June 30, 2024 and for future periods.
Health Care Trend Rate	8.0% decreasing to 4.1%
Salary Increases	3.5% annually as of June 30, 2024 and for future periods.
Mortality:	
Pre-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2020
Post-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2020
Disabled Mortality	General: RP-2014 Mortality Table for Blue Collar Mortality Table projected generationally with scale MP-2020

Key Changes in Assumptions – Key assumption changes for fiscal year 2024 included:

Increase in investment rate of return from 6.0% to 6.5%  
 Increase in discount rate from 6.0% to 6.5%

### III. Budgetary Basis of Accounting

Budgetary Information – An annual budget is legally adopted for the General Fund. Financial orders are initiated by department heads, recommended by the Select Board and approved by the Town Meeting members at the Town’s annual meeting. Expenditures may not legally exceed appropriations at the department level. Department heads may transfer, without Town meeting approval, appropriation balances from one expenditure account to another within their Department or budget. The Town Meeting, however, must approve any transfer of unencumbered appropriation balances between departments. At the close of each fiscal year, unencumbered appropriation balances lapse or reverts to unreserved fund balance.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. Supplemental budget appropriations increased the original budget by approximately \$3.5 million. Supplemental appropriations were primarily for capital outlays (\$1.7 million), stabilization transfers (\$1.35 million), employee benefits (\$0.15 million) and general government (\$0.3 million) purposes.

The Town Accountant has the responsibility to ensure that budgetary control is maintained in the manner in which the appropriations were voted at Town Meeting. Budgetary control is exercised through the Town’s accounting system.

Budgetary-to-GAAP Reconciliation – The Town’s general fund is prepared on a basis other than GAAP. The difference between the budgetary basis of accounting and GAAP is presented in the table below:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenues on a budgetary basis			\$ 38,870,825
Stabilization revenue	\$ -	\$ 259,609	259,609
Revenues on a GAAP basis	<u>\$ -</u>	<u>\$ 259,609</u>	<u>\$ 39,130,434</u>
Expenditures on a budgetary basis			\$ 38,632,565
Expenditures on a GAAP basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,632,565</u>
Other financing sources (uses) on a budgetary basis			\$ 132,751
Stabilization transfers	\$ -	\$ 1,350,000	1,350,000
Other financing sources (uses) on a GAAP basis	<u>\$ -</u>	<u>\$ 1,350,000</u>	<u>\$ 1,482,751</u>



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## **Combining Statements**

## **Nonmajor Governmental Fund**

### ***Special Revenue Funds –***

Special revenue funds are used to account for certain revenue generating activities that are legally and/or programmatically restricted to expenditures for a specific purpose. From the Town's financial ledgers, these activities can be distinctly categorized into the following groupings:

*Federal Grants* – This fund accounts for grant programs received either directly from federal agencies or indirectly through pass-through entities.

*State Grants* – This fund accounts for grant programs received directly from state agencies.

*Ambulance* – This fund accounts for the fees generated by the operations of the fire department's ambulance service that are used to fund specific operating costs and capital outlays of the department.

*Receipts Reserved for Appropriation* – This fund accounts for revenues that are established in accordance with various Massachusetts General Law (MGL) statutes but requires Town Meeting appropriations to expend from these funds.

*Revolving* – This fund accounts for the activity within revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and other applicable statutes.

*Amazon Gift Fund* – This fund accounts donated monies by the Amazon.com company for specific purposes.

*Other Town Gift Funds* – This fund accounts donated monies which related to all Town activities and functions.



*Permanent Funds* –

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

*Cemetery Trust Funds* – This fund accounts for contributions earmarked for the perpetual care and maintenance of cemetery facilities and property.

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

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
JUNE 30, 2024

	<b>Special Revenue Funds</b>			
	<u>Federal Grants</u>	<u>State Grants</u>	<u>Ambulance</u>	<u>Receipts Reserved for Appropriation</u>
<b>Assets:</b>				
Cash and short-term investments	\$ 1,324	\$ 407,548	\$ 1,404,832	\$ 1,004,258
Investments	-	-	-	-
Receivables, net of allowance for doubtful accounts:				
Betterments	-	-	-	-
Excise taxes and other	-	-	389,436	-
Intergovernmental	16,936	106,535	-	-
<b>Total Assets</b>	<u>18,260</u>	<u>514,083</u>	<u>1,794,268</u>	<u>1,004,258</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 18,260</u>	<u>\$ 514,083</u>	<u>\$ 1,794,268</u>	<u>\$ 1,004,258</u>
<b>Liabilities:</b>				
Warrants and accounts payable	\$ 16,349	\$ 19,027	\$ -	\$ -
Accrued payroll and withholdings	1,366	3,348	-	-
Other liabilities	-	-	-	-
<b>Total Liabilities</b>	17,715	22,375	-	-
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - special assessments	-	-	-	-
Unavailable revenue - excise taxes and other	-	-	389,436	-
<b>Total Deferred Inflows of Resources</b>	-	-	389,436	-
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	545	491,708	1,404,832	1,004,258
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>545</u>	<u>491,708</u>	<u>1,404,832</u>	<u>1,004,258</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 18,260</u>	<u>\$ 514,083</u>	<u>\$ 1,794,268</u>	<u>\$ 1,004,258</u>

<u>Revolving</u>	<u>Amazon Gift Fund</u>	<u>Other Town Gift Funds</u>	<u>Sub-total Special Revenue Funds</u>
\$ 289,990	\$ 2,022,779	\$ 577,631	\$ 5,708,362
-	-	-	-
319,499	-	-	319,499
246,964	-	-	636,400
-	-	-	123,471
<u>856,453</u>	<u>2,022,779</u>	<u>577,631</u>	<u>6,787,732</u>
-	-	-	-
<u>\$ 856,453</u>	<u>\$ 2,022,779</u>	<u>\$ 577,631</u>	<u>\$ 6,787,732</u>
\$ 12,208	\$ -	\$ 3,595	\$ 51,179
46,529	-	-	51,243
3,000	-	-	3,000
61,737	-	3,595	105,422
319,499	-	-	319,499
125,873	-	-	515,309
445,372	-	-	834,808
-	-	-	-
403,085	2,022,779	574,036	5,901,243
(53,741)	-	-	(53,741)
349,344	2,022,779	574,036	5,847,502
<u>\$ 856,453</u>	<u>\$ 2,022,779</u>	<u>\$ 577,631</u>	<u>\$ 6,787,732</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
JUNE 30, 2024

	<b>Permanent Funds</b>			<b>Total</b>
	Cemetery Trust Funds	Other Trust Funds	Sub-total Permanent Funds	Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and short-term investments	\$ -	\$ 137,497	\$ 137,497	\$ 5,845,859
Investments	482,023	249,260	731,283	731,283
Receivables, net of allowance for uncollectibles				
Betterments	-	-	-	319,499
Excise taxes and other	-	-	-	636,400
Intergovernmental	-	-	-	123,471
<b>Total Assets</b>	<u>482,023</u>	<u>386,757</u>	<u>868,780</u>	<u>7,656,512</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u><u>\$ 482,023</u></u>	<u><u>\$ 386,757</u></u>	<u><u>\$ 868,780</u></u>	<u><u>\$ 7,656,512</u></u>
<b>Liabilities:</b>				
Warrants and accounts payable	\$ -	\$ 500	\$ 500	\$ 51,679
Accrued payroll and withholdings	-	-	-	51,243
Other liabilities	-	-	-	3,000
<b>Total Liabilities</b>	<u>-</u>	<u>500</u>	<u>500</u>	<u>105,922</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - special assessments	-	-	-	319,499
Unavailable revenue - excise taxes and other	-	-	-	515,309
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>834,808</u>
<b>Fund Balances:</b>				
Nonspendable	336,759	58,720	395,479	395,479
Restricted	145,264	327,537	472,801	6,374,044
Unassigned	-	-	-	(53,741)
<b>Total Fund Balances</b>	<u>482,023</u>	<u>386,257</u>	<u>868,280</u>	<u>6,715,782</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u><u>\$ 482,023</u></u>	<u><u>\$ 386,757</u></u>	<u><u>\$ 868,780</u></u>	<u><u>\$ 7,656,512</u></u>



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**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2024

	<b>Special Revenue Funds</b>			
	<u>Federal Grants</u>	<u>State Grants</u>	<u>Ambulance</u>	<u>Receipts Reserved for Appropriation</u>
<b>Revenues:</b>				
Intergovernmental	\$ 183,140	\$ 1,040,561	\$ -	\$ -
Licenses and permits	-	-	-	-
Departmental and other revenue	-	-	1,143,573	245,731
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Special assessments	-	-	-	44,865
<b>Total Revenues</b>	<u>183,140</u>	<u>1,040,561</u>	<u>1,143,573</u>	<u>290,596</u>
<b>Expenditures:</b>				
General government	132,634	137,670	-	-
Public safety	59,282	195,955	-	5,135
Education	-	-	-	-
Public works	-	1,346	-	-
Health and human services	-	459,538	-	-
Culture and recreation	-	48,503	-	-
<b>Total Expenditures</b>	<u>191,916</u>	<u>843,012</u>	<u>-</u>	<u>5,135</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(8,776)	197,549	1,143,573	285,461
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(12,255)	(1,615,000)	(165,000)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(12,255)</u>	<u>(1,615,000)</u>	<u>(165,000)</u>
<b>Net Change in Fund Balance</b>	(8,776)	185,294	(471,427)	120,461
Fund Balances - Beginning of Year	<u>9,321</u>	<u>306,414</u>	<u>1,876,259</u>	<u>883,797</u>
Fund Balances - End of Year	<u>\$ 545</u>	<u>\$ 491,708</u>	<u>\$ 1,404,832</u>	<u>\$ 1,004,258</u>

<u>Revolving</u>	<u>Amazon Gift Fund</u>	<u>Other Town Gift Funds</u>	<u>Sub-total Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 1,223,701
133,314	-	-	133,314
1,987,844	-	15,622	3,392,770
-	-	-	-
-	500,000	131,439	631,439
-	-	-	44,865
<u>2,121,158</u>	<u>500,000</u>	<u>147,061</u>	<u>5,426,089</u>
8,188	-	(83)	278,409
1,835,247	33,751	129,786	2,259,156
-	-	-	-
2,643	46,326	-	50,315
40,800	-	13,805	514,143
-	-	37,349	85,852
<u>1,886,878</u>	<u>80,077</u>	<u>180,857</u>	<u>3,187,875</u>
234,280	419,923	(33,796)	2,238,214
-	-	13,504	13,504
-	-	-	(1,792,255)
-	-	13,504	(1,778,751)
234,280	419,923	(20,292)	459,463
<u>115,064</u>	<u>1,602,856</u>	<u>594,328</u>	<u>5,388,039</u>
<u>\$ 349,344</u>	<u>\$ 2,022,779</u>	<u>\$ 574,036</u>	<u>\$ 5,847,502</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2024**

	<b>Permanent Funds</b>			<b>Total</b>
	Cemetery Trust Funds	Other Trust Funds	Sub-total Permanent Funds	Nonmajor Governmental Funds
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,223,701
Licenses and permits	-	-	-	133,314
Departmental and other revenue	-	-	-	3,392,770
Investment income	22,257	17,206	39,463	39,463
Contributions and donations	24,250	-	24,250	655,689
Special assessments	-	-	-	44,865
<b>Total Revenues</b>	<b>46,507</b>	<b>17,206</b>	<b>63,713</b>	<b>5,489,802</b>
<b>Expenditures:</b>				
General government	-	-	-	278,409
Public safety	-	-	-	2,259,156
Education	-	500	500	500
Public works	-	-	-	50,315
Health and human services	-	-	-	514,143
Culture and recreation	-	-	-	85,852
<b>Total Expenditures</b>	<b>-</b>	<b>500</b>	<b>500</b>	<b>3,188,375</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>46,507</b>	<b>16,706</b>	<b>63,213</b>	<b>2,301,427</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	13,504
Transfers out	-	-	-	(1,792,255)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,778,751)</b>
<b>Net Change in Fund Balance</b>	<b>46,507</b>	<b>16,706</b>	<b>63,213</b>	<b>522,676</b>
Fund Balances - Beginning of Year	435,516	369,551	805,067	6,193,106
Fund Balances - End of Year	<u>\$ 482,023</u>	<u>\$ 386,257</u>	<u>\$ 868,280</u>	<u>\$ 6,715,782</u>



# STATISTICAL SECTION



**Above:** An aerial view of the Town's Water Treatment Plant.



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# Statistical Section

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

## **Financial Trends**

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

## **Revenue Capacity**

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

## **Debt Capacity**

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

## **Demographic and Economic Information**

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

## **Operating Information**

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

Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year.

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

	2015	2016	2017	2018 (1)	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets.....	\$ 37,092,372	\$ 37,469,493	\$ 37,422,930	\$ 37,237,426	\$ 37,956,376	\$ 37,849,602	\$ 37,555,340	\$ 35,488,632	\$ 36,185,074	\$ 36,844,896
Restricted.....	3,525,573	3,754,736	9,239,794	8,805,721	5,254,851	5,114,836	4,891,025	5,022,828	6,744,149	7,192,799
Unrestricted.....	(12,445,882)	(13,578,159)	(15,037,247)	(22,937,751)	(23,548,015)	(27,777,229)	(26,290,105)	(23,620,358)	(20,968,753)	(20,285,700)
Total governmental activities net position.....	<u>\$ 28,172,063</u>	<u>\$ 27,646,070</u>	<u>\$ 31,625,477</u>	<u>\$ 23,105,396</u>	<u>\$ 19,663,212</u>	<u>\$ 15,187,209</u>	<u>\$ 16,156,260</u>	<u>\$ 16,891,102</u>	<u>\$ 21,960,470</u>	<u>\$ 23,751,995</u>
Business-type activities:										
Net investment in capital assets.....	\$ 17,383,161	\$ 17,973,879	\$ 18,125,107	\$ 20,321,993	\$ 20,437,255	\$ 20,705,364	\$ 22,542,660	\$ 21,911,368	\$ 19,862,296	\$ 19,279,989
Restricted.....	1,729,425	1,680,720	4,888,572	3,227,358	2,555,624	2,208,459	-	-	-	-
Unrestricted.....	1,862,305	1,726,771	1,805,956	1,246,510	8,927,699	8,514,800	9,115,340	9,949,847	13,804,673	15,302,306
Total business-type activities net position.....	<u>\$ 20,974,891</u>	<u>\$ 21,381,370</u>	<u>\$ 24,819,635</u>	<u>\$ 24,795,861</u>	<u>\$ 31,920,578</u>	<u>\$ 31,428,623</u>	<u>\$ 31,658,000</u>	<u>\$ 31,861,215</u>	<u>\$ 33,666,969</u>	<u>\$ 34,582,295</u>
Primary government:										
Net investment in capital assets.....	\$ 54,475,533	\$ 55,443,372	\$ 55,548,037	\$ 57,559,419	\$ 58,393,631	\$ 58,554,966	\$ 60,098,000	\$ 57,400,000	\$ 56,047,370	\$ 56,124,885
Restricted.....	5,254,998	5,435,456	14,128,366	12,033,079	7,810,475	7,323,295	4,891,025	5,022,828	6,744,149	7,192,799
Unrestricted.....	(10,583,577)	(11,851,388)	(13,231,291)	(21,691,241)	(14,620,316)	(19,262,429)	(17,174,765)	(13,670,511)	(7,164,080)	(4,983,394)
Total primary government net position.....	<u>\$ 49,146,954</u>	<u>\$ 49,027,440</u>	<u>\$ 56,445,112</u>	<u>\$ 47,901,257</u>	<u>\$ 51,583,790</u>	<u>\$ 46,615,832</u>	<u>\$ 47,814,260</u>	<u>\$ 48,752,317</u>	<u>\$ 55,627,439</u>	<u>\$ 58,334,290</u>

(1) In fiscal year 2018, the Town restated its net other postemployment liability. This resulted in a prior period restatement decreasing governmental activities and business-type beginning balances by \$6,524,987 and \$99,707, respectively, as of July 1, 2017.

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses -										
Governmental activities:										
General government.....	\$ 2,773,602	\$ 2,915,832	\$ 3,000,043	\$ 3,414,463	\$ 3,786,786	\$ 4,246,052	\$ 4,220,354	\$ 4,919,805	\$ 5,042,164	\$ 5,175,024
Public safety.....	5,738,493	6,151,275	6,876,633	7,554,205	8,138,674	8,080,275	8,987,334	11,057,937	10,332,604	11,959,107
Education.....	13,317,959	13,615,997	14,124,057	14,604,497	16,310,062	16,283,007	16,864,928	16,941,886	17,748,912	21,038,377
Public works.....	3,258,633	3,119,355	3,291,882	3,684,082	4,172,226	6,615,080	3,412,209	3,688,201	3,734,444	3,731,127
Health and human services.....	473,155	520,682	559,469	466,673	590,209	558,918	722,925	704,451	863,340	1,806,478
Culture and recreation.....	946,709	987,249	985,771	983,937	1,143,373	934,318	926,356	945,973	1,088,350	1,071,351
Interest.....	142,889	162,024	134,227	112,988	91,636	66,228	60,251	66,450	99,306	98,585
Total government activities expenses.....	26,651,440	27,472,414	28,972,082	30,820,845	34,232,966	36,783,878	35,194,357	38,324,703	38,909,120	44,880,049
Business-type activities:										
Water.....	187,700	220,317	228,131	508,419	207,129	419,554	126,199	285,933	275,845	259,521
Sewer.....	2,059,953	1,941,452	1,996,655	1,951,090	1,755,085	1,738,466	1,625,570	1,847,025	2,011,353	2,086,658
Total business-type activities expenses.....	2,247,653	2,161,769	2,224,786	2,459,509	1,962,214	2,158,020	1,751,769	2,132,958	2,287,198	2,346,179
Total primary government expenses.....	\$ 28,899,093	\$ 29,634,183	\$ 31,196,868	\$ 33,280,354	\$ 36,195,180	\$ 38,941,898	\$ 36,946,126	\$ 40,457,661	\$ 41,196,318	\$ 47,226,228
Program Revenues -										
Governmental activities:										
Charges for services:										
General government.....	\$ 208,579	\$ 229,400	\$ 221,480	\$ 264,111	\$ 233,912	\$ 182,070	\$ 400,634	\$ 300,979	\$ 660,954	\$ 469,834
Public safety.....	1,168,473	1,238,646	1,797,455	1,475,677	1,909,011	1,441,090	2,230,923	3,200,807	3,987,904	4,406,745
Public works.....	193,136	61,168	51,804	52,583	78,613	29,457	37,379	59,453	61,028	50,449
Human services.....	54,913	104,834	66,455	60,459	74,633	66,268	110,648	121,177	111,588	117,228
Culture and recreation.....	3,400	1,821	2,067	2,926	3,442	1,327	33,080	60,543	72,165	64,931
Operating grants and contributions.....	753,788	682,597	871,186	1,252,050	2,122,883	1,020,684	1,206,281	1,401,780	1,311,981	3,103,921
Capital grants and contributions.....	930,116	1,371,175	801,159	691,865	2,059,037	741,156	880,946	1,470,563	3,394,121	1,026,786
Total government activities program revenues.....	3,312,405	3,689,641	3,811,606	3,799,671	6,481,531	3,482,052	4,899,891	6,615,302	9,599,741	9,239,894
Business-type activities:										
Charges for services.....	1,730,161	1,663,739	1,701,056	1,805,546	1,582,961	1,406,454	1,245,129	1,860,360	2,303,034	2,167,453
Capital grant and contributions.....	246,250	210,789	180,168	135,608	83,632	104,881	119,000	626,510	1,618,843	76,742
Operating grants and contributions.....	-	-	-	-	-	-	69,422	2,029	1,398	345,156
Total business-type activities program revenues.....	1,976,411	1,874,528	1,881,224	1,941,154	1,666,593	1,511,335	1,433,551	2,488,899	3,923,275	2,589,351
Total primary government program revenues.....	\$ 5,288,816	\$ 5,564,169	\$ 5,692,830	\$ 5,740,825	\$ 8,148,124	\$ 4,993,387	\$ 6,333,442	\$ 9,104,201	\$ 13,523,016	\$ 11,829,245
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (23,339,035)	\$ (23,782,773)	\$ (25,160,476)	\$ (27,021,174)	\$ (27,751,435)	\$ (33,301,826)	\$ (30,294,466)	\$ (31,709,401)	\$ (29,309,379)	\$ (35,640,155)
Business-type activities.....	(271,242)	(287,241)	(343,562)	(518,355)	(295,621)	(646,685)	(318,218)	355,941	1,636,077	243,172
Total primary government net (expense)/program revenue.....	\$ (23,610,277)	\$ (24,070,014)	\$ (25,504,038)	\$ (27,539,529)	\$ (28,047,056)	\$ (33,948,511)	\$ (30,612,684)	\$ (31,353,460)	\$ (27,673,302)	\$ (35,396,983)

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS**

	2015	2016	2017 (1)	2018	2019	2020	2021	2022	2023	2024
General Revenues and other Changes in Net Position -										
Governmental activities:										
Real estate and personal property taxes,										
net of tax refunds payable.....	\$ 18,533,604	\$ 19,285,980	\$ 20,021,431	\$ 20,844,331	\$ 23,386,534	\$ 24,027,919	\$ 25,379,170	\$ 27,803,773	\$ 29,381,594	\$ 32,075,651
Motor vehicle and other excise taxes.....	2,344,139	2,132,151	2,295,777	2,413,884	2,549,503	2,510,012	2,730,942	2,768,355	2,812,281	2,972,932
Penalties and interest on taxes.....	-	-	-	-	-	-	149,352	146,126	123,754	173,878
Payments in lieu of taxes.....	811,929	807,735	701,924	718,537	701,921	700,000	707,471	3,304	14,460	1,910
Grants and contributions not restricted to specific programs.....	1,337,995	1,385,363	1,448,456	1,559,251	1,563,389	1,560,165	1,551,858	1,607,525	1,695,868	1,741,817
Unrestricted investment income.....	27,779	124,465	40,046	2,449	170,706	10,908	164,168	2,408	261,236	630,893
Miscellaneous.....	119,261	149,764	8,391,324	84,259	160,408	75,715	-	-	-	-
Special assessments.....	-	-	-	-	-	-	712,703	28,754	32,372	27,599
Transfers.....	(430,890)	(628,678)	(3,759,075)	(596,631)	(4,223,210)	(58,896)	(132,147)	83,998	57,182	(193,000)
Total governmental activities.....	22,743,817	23,256,780	29,139,883	25,026,080	24,309,251	28,825,823	31,263,517	32,444,243	34,378,747	37,431,680
Business-type activities:										
Special assessments.....	-	-	-	-	-	-	48,232	-	-	-
Unrestricted investment income.....	31,651	65,042	22,752	(2,343)	84,347	95,834	367,216	(68,728)	226,859	479,154
Transfers.....	430,890	628,678	3,759,075	596,631	4,223,210	58,896	132,147	(83,998)	(57,182)	193,000
Total business-type activities.....	462,541	693,720	3,781,827	594,288	4,307,557	154,730	547,595	(152,726)	169,677	672,154
Total primary government general revenues and other										
changes in net position.....	\$ 23,206,358	\$ 23,950,500	\$ 32,921,710	\$ 25,620,368	\$ 28,616,808	\$ 28,980,553	\$ 31,811,112	\$ 32,291,517	\$ 34,548,424	\$ 38,103,834
<b>Changes in Net Position</b>										
Governmental activities.....	\$ (595,218)	\$ (525,993)	\$ 3,979,407	\$ (1,995,094)	\$ (3,442,184)	\$ (4,476,003)	\$ 969,051	\$ 734,842	\$ 5,069,368	\$ 1,791,525
Business-type activities.....	191,299	406,479	3,438,265	75,933	4,011,936	(491,955)	229,377	203,215	1,805,754	915,326
Total primary government changes in net position.....	\$ (403,919)	\$ (119,514)	\$ 7,417,672	\$ (1,919,161)	\$ 569,752	\$ (4,967,958)	\$ 1,198,428	\$ 938,057	\$ 6,875,122	\$ 2,706,851

(1) In fiscal year 2017, the Town received a settlement totaling \$8,000,000 from Exxon Mobil to compensate for several ground spills. \$3,250,000 was subsequently transferred to the Water Enterprise Fund.

(concluded)

**FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted.....	88,195	99,280	99,190	66,170	56,888	50,304	45,463	41,233	37,358	35,274
Committed.....	-	-	128,515	40,000	-	-	1,183,078	1,437,163	2,148,452	2,449,968
Assigned.....	542,653	830,313	727,861	1,030,841	1,362,709	800,328	119,160	464,618	746,189	125,554
Unassigned.....	<u>2,445,653</u>	<u>2,071,356</u>	<u>2,531,961</u>	<u>2,794,849</u>	<u>3,827,397</u>	<u>4,145,821</u>	<u>4,821,846</u>	<u>6,807,110</u>	<u>8,028,693</u>	<u>10,330,516</u>
Total general fund.....	<u>\$ 3,076,501</u>	<u>\$ 3,000,949</u>	<u>\$ 3,487,527</u>	<u>\$ 3,931,860</u>	<u>\$ 5,246,994</u>	<u>\$ 4,996,453</u>	<u>\$ 6,169,547</u>	<u>\$ 8,750,124</u>	<u>\$ 10,960,692</u>	<u>\$ 12,941,312</u>
All Other Governmental Funds:										
Nonspendable.....	\$ 266,941	\$ 281,061	\$ 287,691	\$ 295,739	\$ 306,399	\$ 317,969	\$ 326,929	\$ 347,729	\$ 371,229	\$ 395,479
Restricted.....	2,503,251	2,897,073	8,030,669	7,774,791	4,227,334	4,328,732	4,518,633	4,633,866	6,335,562	6,762,046
Assigned.....	134,040	98,365	150,683	109,255	514,565	252,320	-	-	-	-
Unassigned.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>(339,495)</u>	<u>(732,463)</u>	<u>(1,664,056)</u>	<u>(2,630,310)</u>	<u>(533,645)</u>	<u>(409,935)</u>	<u>(412,177)</u>
Total all other governmental funds.....	<u>\$ 2,904,232</u>	<u>\$ 3,276,499</u>	<u>\$ 8,469,043</u>	<u>\$ 7,840,290</u>	<u>\$ 4,315,835</u>	<u>\$ 3,234,965</u>	<u>\$ 2,215,252</u>	<u>\$ 4,447,950</u>	<u>\$ 6,296,856</u>	<u>\$ 6,745,348</u>

**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**

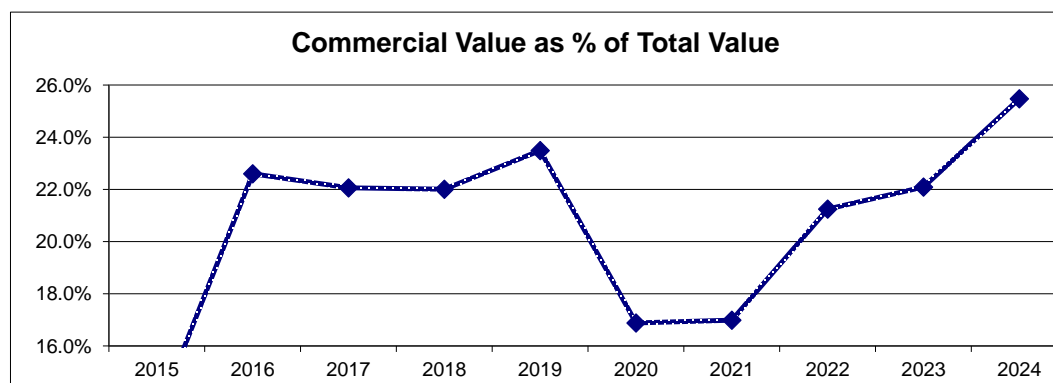
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues:</b>										
Property taxes, net of tax refunds.....	\$ 18,598,281	\$ 19,185,394	\$ 19,952,455	\$ 20,843,756	\$ 23,249,896	\$ 24,094,900	\$ 24,878,063	\$ 27,844,367	\$ 29,212,351	\$ 32,176,720
Intergovernmental.....	2,575,566	2,978,895	2,825,918	3,146,677	4,375,385	2,890,216	3,630,125	4,270,519	4,698,470	5,348,274
Motor vehicle and other excise taxes.....	2,250,287	2,048,484	2,344,665	2,483,076	2,629,347	2,482,952	2,629,874	2,735,538	2,830,918	2,953,148
Licenses and permits.....	209,365	235,279	296,298	250,086	382,283	370,152	294,994	915,198	1,340,365	1,006,284
Payments in lieu of taxes.....	811,929	807,735	701,924	718,537	701,921	700,000	707,471	3,304	14,460	1,910
Departmental and other.....	1,151,837	1,475,794	1,587,637	1,559,962	1,824,469	1,504,669	2,232,757	2,814,194	3,171,793	3,859,509
Penalties and interest on taxes.....	-	-	-	-	-	-	149,352	146,126	123,754	173,878
Fines and forfeitures.....	80,314	83,205	70,401	70,414	92,027	81,628	52,801	62,604	64,523	67,261
Investment income.....	27,779	124,551	40,046	2,449	170,706	10,908	164,168	2,408	261,236	630,893
Contributions and donations.....	565,593	629,542	8,642,602	432,054	1,530,332	507,504	291,571	134,282	1,889,584	655,689
Special assessments.....	88,263	11,830	12,123	8,696	5,623	10,162	424,362	28,857	33,825	44,865
<b>Total Revenue.....</b>	<b>26,359,214</b>	<b>27,580,709</b>	<b>36,474,069</b>	<b>29,515,707</b>	<b>34,961,989</b>	<b>32,653,091</b>	<b>35,455,538</b>	<b>38,957,397</b>	<b>43,641,279</b>	<b>46,918,431</b>
<b>Expenditures:</b>										
General government.....	2,244,171	2,236,976	2,255,431	2,768,005	2,954,210	3,422,392	3,257,788	3,998,118	3,986,427	4,007,441
Public safety.....	4,295,301	3,891,782	4,362,164	4,986,567	5,174,869	5,363,248	6,290,835	6,598,178	7,348,831	8,673,714
Education.....	12,792,721	13,173,928	13,675,894	14,136,031	15,856,056	15,670,417	16,562,187	16,639,145	17,446,179	20,735,637
Public works.....	1,045,942	1,140,688	1,271,420	1,649,776	1,966,838	1,257,423	1,515,345	1,849,171	1,855,768	1,842,096
Health and human services.....	298,372	346,250	325,143	357,096	452,749	421,588	614,849	609,477	745,732	1,215,255
Culture and recreation.....	499,177	545,814	509,938	469,464	529,594	494,808	556,015	599,035	698,323	695,795
Pension and fringe benefits.....	1,817,668	2,459,592	1,923,906	2,290,918	2,625,095	3,027,017	3,300,572	3,525,806	3,978,154	4,136,144
State and county charges.....	36,918	75,548	75,507	74,009	68,860	86,076	90,726	128,766	124,061	116,808
Capital outlay.....	1,573,172	2,820,236	1,771,573	1,533,039	2,507,599	3,400,882	2,335,159	1,906,974	3,044,206	2,529,844
Debt service:										
Principal.....	552,000	552,000	772,000	717,000	712,000	707,000	567,000	252,000	312,000	245,000
Interest.....	149,260	227,502	92,896	121,591	100,230	74,755	79,534	66,450	99,306	98,585
<b>Total Expenditures.....</b>	<b>25,304,702</b>	<b>27,470,316</b>	<b>27,035,872</b>	<b>29,103,496</b>	<b>32,948,100</b>	<b>33,925,606</b>	<b>35,170,010</b>	<b>36,173,120</b>	<b>39,638,987</b>	<b>44,296,319</b>
Excess of revenues over (under) expenditures.....	1,054,512	110,393	9,438,197	412,211	2,013,889	(1,272,515)	285,528	2,784,277	4,002,292	2,622,112
<b>Other Financing Sources (Uses):</b>										
Issuance of bonds and notes.....	-	815,000	-	-	-	-	-	1,945,000	-	-
Issuance of refunding bonds.....	-	1,130,000	-	-	-	-	-	-	-	-
Premium from debt issuances/refunded bonds.....	-	70,000	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent.....	-	(1,200,000)	-	-	-	-	-	-	-	-
Transfers in.....	1,219,702	1,215,802	853,490	1,775,102	1,627,349	1,535,743	1,899,138	2,037,889	2,136,843	2,101,759
Transfers out.....	(1,650,592)	(1,844,480)	(4,612,565)	(2,371,733)	(5,850,559)	(1,594,639)	(2,031,285)	(1,953,891)	(2,079,661)	(2,294,759)
<b>Total other financing sources (uses).....</b>	<b>(430,890)</b>	<b>186,322</b>	<b>(3,759,075)</b>	<b>(596,631)</b>	<b>(4,223,210)</b>	<b>(58,896)</b>	<b>(132,147)</b>	<b>2,028,998</b>	<b>57,182</b>	<b>(193,000)</b>
<b>Net change in fund balance.....</b>	<b>\$ 623,622</b>	<b>\$ 296,715</b>	<b>\$ 5,679,122</b>	<b>\$ (184,420)</b>	<b>\$ (2,209,321)</b>	<b>\$ (1,331,411)</b>	<b>\$ 153,381</b>	<b>\$ 4,813,275</b>	<b>\$ 4,059,474</b>	<b>\$ 2,429,112</b>
Debt service as a percentage of noncapital expenditures.....	2.95%	3.16%	3.42%	3.04%	2.67%	2.56%	1.97%	0.93%	1.12%	0.82%



**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASSIFICATION AND TAX RATES**

**LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value					Total Town Value	State Equalized Value	Ratio of Assessed to Equalized Value	Tax Rates		
	Residential Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value				Residential Tax Rate	Commercial Tax Rate	Average Tax Rate
2015	\$ 1,197,681,618	\$ 76,252,650	\$ 49,027,730	\$ 58,381,570	\$ 183,661,950	\$ 1,381,343,568	\$ 1,413,260,000	97.74%	\$ 13.42	\$ 13.42	\$ 13.42
2016	1,198,412,768	75,983,072	54,112,980	79,394,480	209,490,532	1,407,903,300	1,413,260,000	99.62%	13.78	13.78	13.78
2017	1,204,649,448	76,856,755	56,445,990	77,444,910	210,747,655	1,415,397,103	1,487,604,000	95.15%	14.10	14.10	14.10
2018	1,312,381,904	82,514,492	68,676,970	84,652,540	235,844,002	1,548,225,906	1,487,604,000	104.08%	13.50	13.50	13.50
2019	1,332,901,149	81,999,910	71,484,750	99,063,370	252,548,030	1,585,449,179	1,610,444,700	98.45%	14.77	14.77	14.77
2020	1,346,659,319	86,050,412	82,421,680	105,020,370	273,492,462	1,620,151,781	1,610,444,700	100.60%	14.94	14.94	14.94
2021	1,387,237,474	86,744,626	89,999,053	107,204,520	283,948,199	1,671,185,673	1,794,497,600	93.13%	15.01	15.01	15.01
2022	1,647,485,003	95,209,553	147,672,307	201,493,840	444,375,700	2,091,860,703	1,794,497,600	116.57%	13.29	13.29	13.29
2023	1,889,335,585	104,056,857	197,521,633	234,111,070	535,689,560	2,425,025,145	2,225,215,400	108.98%	12.17	12.17	12.17
2024	2,109,350,940	112,963,360	297,372,597	310,632,780	720,968,737	2,830,319,677	2,225,215,400	127.19%	11.34	11.34	11.34



Source: Official Statements, State Division of Local Services

Note: All property in the Commonwealth of Massachusetts is assessed at 100% of full and fair cash value. The State estimates this "equalized valuation" for all municipalities every two years. Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2% of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2%, subject to an exception for property added to the tax rolls and for certain valuation increases. This secondary limit may be exceeded in any fiscal year by majority approval of the voters, however, it cannot exceed the primary limitation.

## DIRECT PROPERTY TAX RATES

### LAST TEN FISCAL YEARS

Fiscal Year	Tax Rates (1)			
	Residential Tax Rate	Commercial and Industrial Tax Rate	Personal Property Tax Rate	Direct Tax Rate
2015	\$ 13.42	\$ 13.42	\$ 13.42	\$ 13.42
2016	13.78	13.78	13.78	13.78
2017	14.10	14.10	14.10	14.10
2018	13.50	13.50	13.50	13.50
2019	14.77	14.77	14.77	14.77
2020	14.94	14.94	14.94	14.94
2021	15.01	15.01	15.01	15.01
2022	13.29	13.29	13.29	13.29
2023	12.17	12.17	12.17	12.17
2024	11.34	11.34	11.34	11.34

(1) Rates are applicable to each \$1,000 of assessed value.

(2) Calculated by dividing the total tax levy by total assessed value multiplied by 1,000

Source: Official Statements

# PRINCIPAL TAXPAYERS

## CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Nature of Business	2024			2015		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
MCI Communications	Telecommunications	\$ 95,920,700	1	3.39%	\$ 7,330,500	5	0.53%
New England Power Company	Electrical Power	94,137,040	2	3.33%	8,846,300	3	0.64%
USRE Patriot	Amazon	89,088,500	3	3.15%			
Millennium Power	Electrical Power	62,428,400	4	2.21%			
Overlook Communities Inc	Assisted Living	39,687,210	5	1.40%	53,782,800	1	3.89%
Northeast Energy Center	Liquified Natural Gas	33,572,080	6	1.19%			
Massachusetts Electric	Electrical Power	27,067,350	7	0.96%	7,953,950	4	0.58%
Landreau Realty/Treehouse	Brewery	20,104,500	8	0.71%			
Tennessee Gas Pipeline	Natural Gas Distribution	15,255,400	9	0.54%	11,527,500	2	0.83%
LFB USA Inc	Medical Research	11,156,700	10	0.39%			
Karl Storz Endovision Inc	Medical Equipment Manufacturer				7,302,600	6	0.53%
Verizon New England Inc	Telecommunications				6,981,500	7	0.51%
Level 3 Communications LLC	Telecommunications				5,781,200	8	0.42%
Genzyme Transgenics Corp	Manufacturing				5,142,700	9	0.37%
Santos Irrevocable Trust	Summer Camp/Land				4,447,997	10	0.32%
	Totals	\$ 488,417,880		17.26%	\$ 119,097,047		8.62%

Source: Official Statements

# PROPERTY TAX LEVIES AND COLLECTIONS

## LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy			Collections				Percent of Total Tax Collections to Net Tax Levy
	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	
2015	\$ 18,537,631	\$ 142,519	\$ 18,395,112	\$ 18,159,041	98.72%	\$ 212,884	\$ 18,371,925	99.87%
2016	19,400,907	169,703	19,231,204	18,843,083	97.98%	77,302	18,920,385	98.38%
2017	19,957,099	188,270	19,768,829	19,473,817	98.51%	270,489	19,744,306	99.88%
2018	20,901,050	289,585	20,611,465	20,381,738	98.89%	229,727	20,611,465	100.00%
2019	23,417,084	297,062	23,120,022	22,808,743	98.65%	272,699	23,081,442	99.83%
2020	24,205,068	550,000	23,655,068	23,537,272	99.50%	117,796	23,655,068	100.00%
2021	25,084,497	376,332	24,708,165	24,477,961	99.07%	230,204	24,708,165	100.00%
2022	27,800,829	157,394	27,643,435	27,217,402	98.46%	337,482	27,554,884	99.68%
2023	29,512,556	148,405	29,364,151	28,871,161	98.32%	336,271	29,207,432	99.47%
2024	32,095,825	194,540	31,901,285	31,628,147	99.14%	-	31,628,147	99.14%

Source: Accounting Records

# **RATIOS OF OUTSTANDING DEBT BY TYPE**

## **LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities	Business-type Activities		Total Outstanding Debt	Personal Income	Percentage of Personal Income	U.S Census Population	Debt Per Capita
	General Obligation Bonds (1)	General Obligation Bonds (1)	Direct Borrowings and Placements					
2015	\$ 4,091,000	\$ 304,000	\$ 10,747,351	\$ 15,142,351	\$ 413,164,000	3.66%	13,119	\$ 1,154
2016	4,284,000	266,000	9,319,303	13,869,303	430,889,000	3.22%	13,175	1,053
2017	3,562,000	228,000	8,042,883	11,832,883	427,100,000	2.77%	13,308	889
2018	2,845,000	190,000	4,394,523	7,429,523	448,024,000	1.66%	13,406	554
2019	2,133,000	152,000	3,331,533	5,616,533	466,890,000	1.20%	13,406	419
2020	1,426,000	114,000	2,236,280	3,776,280	488,509,000	0.77%	13,406	282
2021	859,000	76,000	1,363,718	2,298,718	505,236,000	0.45%	13,697	168
2022	2,552,000	38,000	1,226,246	3,816,246	534,595,000	0.71%	13,713	278
2023	2,240,000	-	1,086,370	3,326,370	544,329,000	0.61%	13,315	250
2024	1,995,000	-	944,043	2,939,043	577,568,000	0.51%	13,315	221

Source: U. S. Census, State Division of Local Services

(1) Presented net of original issuance discounts and premiums.

# **RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

## **LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Less: Amounts Available</u>	<u>Total</u>	<u>Assessed Value</u>	<u>Percentage of Assessed Value</u>	<u>U.S Census Population</u>	<u>Debt Per Capita</u>
2015	\$ 4,395,000	\$ -	\$ 4,395,000	\$ 1,381,343,568	0.32%	13,119	\$ 335
2016	4,550,000	-	4,550,000	1,407,903,300	0.32%	13,175	345
2017	3,790,000	-	3,790,000	1,415,397,103	0.27%	13,308	285
2018	3,035,000	-	3,035,000	1,548,225,906	0.20%	13,406	226
2019	2,285,000	-	2,285,000	1,585,449,179	0.14%	13,406	170
2020	1,540,000	-	1,540,000	1,620,151,781	0.10%	13,406	115
2021	935,000	-	935,000	1,671,185,673	0.06%	13,697	68
2022	2,590,000	-	2,590,000	2,091,860,703	0.12%	13,713	189
2023	2,240,000	-	2,240,000	2,425,025,145	0.09%	13,315	168
2024	1,995,000	-	1,995,000	2,830,319,677	0.07%	13,315	150

Source: U. S. Census, State Division of Local Services

(1) General obligation bonds consist of debt of both governmental and business-type activities, net of original issuance discounts and premiums.

**COMPUTATION OF LEGAL DEBT MARGIN**

**LAST TEN FISCAL YEARS**

	(Amounts in Thousands)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Equalized Valuation.....	\$ 1,413,260	\$ 1,413,260	\$ 1,487,604	\$ 1,487,604	\$ 1,610,445	\$ 1,610,445	\$ 1,794,498	\$ 1,794,498	\$ 2,225,215	\$ 2,225,215
Debt Limit.....	70,663	70,663	74,380	74,380	80,522	80,522	89,725	89,725	111,261	111,261
Outstanding general obligation bonds.....	4,395	4,550	3,790	3,035	2,285	1,540	935	2,590	2,240	1,995
Authorized and unissued debt.....	688	238	127	1,213	29,712	27,172	1,472	2,000	2,000	2,000
Debt not applicable to debt limit.....	(601)	(519)	(437)	(355)	(283)	(211)	(139)	(707)	(620)	(600)
Legal debt margin.....	<u>\$ 66,181</u>	<u>\$ 66,394</u>	<u>\$ 70,900</u>	<u>\$ 70,487</u>	<u>\$ 48,808</u>	<u>\$ 52,021</u>	<u>\$ 87,457</u>	<u>\$ 85,842</u>	<u>\$ 107,641</u>	<u>\$ 107,866</u>
Total debt applicable to the limit as a percentage of debt limit.....	6.34%	6.04%	4.68%	5.23%	39.39%	35.40%	2.53%	4.33%	3.25%	3.05%

Source: State Division of Local Services, Accounting Records

# **DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**AS OF JUNE 30, 2024**

	Debt Outstanding (a)	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Dudley-Charlton Regional School District.....	\$ 630,000	44.30% (b)	\$ 279,090
Southern Worcester County Regional Vocational Technical School District....	21,715,000	11.85% (b)	<u>2,573,228</u>
Subtotal, overlapping debt.....			2,852,318
Town direct debt.....			<u>1,995,000</u>
Total direct and overlapping debt.....			<u><u>\$ 4,847,318</u></u>

(a) Outstanding debt as of June 30, 2023.

(b) Based on the District's enabling agreements which primarily rely on enrollment.

Source: Official Statements, Accounting Records



## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN FISCAL YEARS

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2015	13,119	\$ 413,164,000	\$ 31,494	42.3	4,008	4.40%
2016	13,175	430,889,000	32,705	43.7	3,827	3.90%
2017	13,308	427,100,000	32,093	43.1	3,963	3.40%
2018	13,406	448,024,000	33,420	42.5	3,755	3.40%
2019	13,406	466,890,000	34,827	43.5	3,800	3.10%
2020	13,406	488,509,000	36,440	40.2	3,702	7.60%
2021	13,697	505,236,000	36,887	41.1	3,439	4.90%
2022	13,713	534,595,000	38,985	41.1	3,452	3.50%
2023	13,315	544,329,000	40,881	41.1	3,429	3.10%
2024	13,315	577,568,000	43,377	41.1	3,432	3.20%

N/A - Information not available

Source: U. S. Census, Division of Local Services, Massachusetts' Data  
Analytics and Resource Bureau, Massachusetts'  
Department of Elementary and Secondary Education  
and Massachusetts Labor Market Information.  
Median age is based on most recent US census data

**PRINCIPAL EMPLOYERS (EXCLUDING TOWN)**

**CURRENT YEAR AND NINE YEARS AGO**

Employer	Nature of Business	2024 (1)			2015		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Karl Storz	Manufacturer-Medical Technology	500-600	1	7.59%	642	1	15.86%
Masonic Home, Inc	Nursing Home/Assisted Living	250-499	2	6.31%	379	2	9.36%
Dudley-Charlton RSD	Public School District	200-447	3	5.66%	306	4	7.56%
Bay Path RVSD	Public Vocational Education	100-249	4	3.15%	207	5	5.11%
Ranpak Corp	Paper/Pulp Manufacturing	100-249	5	3.15%			
McDonald Corp	Restaurants				321	3	7.93%
InCom, Inc.	Manufacturing				205	6	5.06%
First Student Transportation	School Bus Contractor				140	7	3.46%
Harrington Medical Center	Health Care				86	8	2.12%
Meacham, Inc.	A/C Contractor				43	9	1.06%
Sims	Health Club				36	10	0.89%
	Totals	1150-2044		25.86%	2,365		58.41%

(1) Only the top five employers are available.

Source: Official Statements

**FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION**

**LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government.....	14	14	19	18	21	20	22	22	22	22
Public safety.....	39	40	44	49	49	43	53	52	55	60
Public works.....	13	13	13	13	13	12	14	13	14	13
Health and human services.....	5	5	6	6	6	5	7	7	8	7
Culture and recreation.....	8	8	9	8	8	7	8	7	8	8
Water and Sewer.....	1	1	2	3	3	2	2	2	2	1
Total Town employees.....	<u>80</u>	<u>81</u>	<u>93</u>	<u>97</u>	<u>100</u>	<u>89</u>	<u>106</u>	<u>103</u>	<u>109</u>	<u>111</u>

Source: Town personnel records

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Registered voters.....	8,733	8,763	9,609	9,464	9,833	9,821	9,893	10,164	10,286	10,743
Number of babies born.....	123	118	120	109	123	95	112	121	101	123
Number of marriage intentions.....	57	40	67	53	46	41	46	53	49	48
Number of deaths recorded.....	131	160	159	178	157	171	163	174	191	168
Number of New/Renewed Business Certificates..	1,584	129	152	113	97	116	65	92	209	148
Number of Dogs Licensed.....	2,506	2,669	2,349	2,421	2,555	2,586	2,585	2,462	2,768	2,670
Public Safety:										
Police										
Total Motor Vehicle Violations-Civil Offenses....	1,097	689	1,038	1,488	1,898	2,034	1,045	1,141	1,648	2,287
Total Offenses.....	1,198	898	1,129	986	1,086	828	935	992	983	996
Total Animal Control Calls.....	1,333	1,107	1,352	1,458	1,487	1,419	1,109	988	599	892
Fire										
EMS Incidents.....	1,167	1,484	1,420	1,788	1,842	1,926	1,542	1,771	1,827	1,878
Fire Incidents.....	632	546	765	661	753	712	661	655	747	689
Permits.....	452	407	510	533	595	738	470	431	344	327
Inspectional Services:										
Number of New Residential Building Permits.....	32	27	37	40	36	29	26	20	40	35
Number of Residential Improvement Permits.....	57	63	65	24	81	56	50	66	113	82
Number of Solar Permits.....	66	175	81	37	44	22	40	13	86	49
Number of Commercial Building Permits.....	36	38	21	25	32	36	19	12	29	17
Number of Gas Permits.....	100	89	108	117	121	151	145	166	165	140
Number of Plumbing Permits.....	158	143	163	167	181	278	148	311	215	208
Number of Wiring Permits.....	366	495	392	326	350	385	365	509	520	448
Public Works:										
Sewer										
Approximate number of Customers.....	600	N/A	N/A	N/A	630	640	640	650	660	675
Average daily flow (in gallons).....	211,000	211,000	220,000	N/A	210,000	210,000	210,000	210,000	210,000	210,000
Water										
Approximate number of Customers.....	N/A	N/A	N/A	N/A	240	240	240	425	500	500
Average daily flow (in gallons).....	N/A	N/A	N/A	N/A	110,000	110,000	110,000	110,000	165,000	175,000
Health and Human Services:										
Board of Health										
Annual Food Permits.....	65	62	69	83	103	126	94	95	136	123
Other Board of Health Permits.....	199	234	245	267	300	430	198	236	195	227
Culture and Recreation:										
Libraries										
Number of Items Circulated (including digital)....	89,203	81,801	83,556	80,244	81,953	96,696	59,038	102,731	118,253	120,827
Number of Registered Library Card Holders.....	7,020	6,567	6,460	6,526	6,366	6,613	N/A	6,389	5,621	5,953

N/A - Information not available

Source: Various Town Departments and State websites.

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
Number of buildings.....	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Public Works:										
Road miles.....	157	157	157	157	157	157	157	157	157	157
Water main (miles).....	19	19	19	19	19	19	19	19	19	19
Sanitary sewers (miles).....	20	20	20	20	20	20	20	20	20	20
Number of water treatment plants.....	1	1	1	1	1	1	1	1	1	1
Health and Human Services:										
Number of senior centers.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation:										
Number of libraries.....	1	1	1	1	1	1	1	1	1	1

N/A - Information not available

Source: Various Town Departments and State websites.

Below: A Civil War Memorial to the Charlton citizens who died while completing their Country's service.



Troutman Pepper Locke LLP  
111 Huntington Avenue, 9th Floor  
Boston, MA 02199-7613  
www.troutman.com



(Date of Delivery)

Virginia Porter, Treasurer  
Town of Charlton  
Charlton, Massachusetts

\$3,800,000\*  
Town of Charlton Massachusetts  
General Obligation Fire Station Bonds  
Dated April 16, 2025

We have acted as bond counsel to the Town of Charlton, Massachusetts (the “Town”) in connection with the issuance by the Town of the above-referenced bonds (the “Bonds”). In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon representations and covenants of the Town contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and binding general obligations of the Town and, except to the extent they are paid from other sources, the principal of and interest on the Bonds are payable from taxes which may be levied upon all taxable property in the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

2. Interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes. In addition, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. However, interest on the Bonds will be included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Internal Revenue Code of 1986 (the “Code”). In rendering the opinions set forth in this paragraph, we have assumed compliance by the Town with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The Town has covenanted to comply with all such requirements. Failure by the Town to comply with certain of such requirements may cause interest on the Bonds to become included in gross income for federal

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\* Preliminary, subject to change.

income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

3. Interest on the Bonds is exempt from Massachusetts personal income taxes and the Bonds are exempt from Massachusetts personal property taxes. We express no opinion regarding any other Massachusetts tax consequences arising with respect to the Bonds or any tax consequences arising with respect to the Bonds under the laws of any state other than Massachusetts.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

TROUTMAN PEPPER LOCKE LLP



**PROPOSED FORM OF  
CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Town of Charlton Massachusetts (the “Issuer”) in connection with the issuance of its \$3,800,000\* General Obligation Fire Station Bonds dated April 16, 2025 (the “Bonds”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 2. Definitions. For purposes of this Disclosure Certificate the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board as established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate. Filing information relating to the MSRB is set forth in Exhibit A attached hereto.

“Obligated Person” shall mean the Issuer.

“Owners of the Bonds” shall mean the registered owners, including beneficial owners, of the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, not later than 270 days after the end of each fiscal year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in

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\* Preliminary, subject to change.

Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted when available separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in a timely manner, in substantially the form attached as Exhibit B.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) quantitative information for the preceding fiscal year of the type presented in the Issuer's Official Statement dated April 2, 2025 relating to the Bonds regarding (i) the revenues and expenditures of the Issuer relating to its operating budget, (ii) capital expenditures, (iii) fund balances, (iv) property tax information, (v) outstanding indebtedness and overlapping debt of the Issuer, (vi) pension obligations of the Issuer, and (vii) other post-employment benefits liability of the Issuer, and

(b) the most recently available audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles with certain exceptions permitted by the Massachusetts Uniform Municipal Accounting System promulgated by the Department of Revenue of the Commonwealth. If audited financial statements for the preceding fiscal year are not available when the Annual Report is submitted, the Annual Report will include unaudited financial statements for the preceding fiscal year and audited financial statements for such fiscal year shall be submitted when available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which (i) are available to the public on the MSRB internet website or (ii) have been filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer shall give notice, in accordance with the provisions of this Section 5, of the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other

material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of the Owners of the Bonds, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person.\*
13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect Owners of the Bonds, if material.†
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.†

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\* As noted in the Rule, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

† For purposes of event numbers 15 and 16 in Section 5(a) of this Disclosure Certificate, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” excludes municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

(b) Upon the occurrence of a Listed Event, the Issuer shall, in a timely manner not in excess of ten (10) business days after the occurrence of the event, file a notice of such occurrence with the MSRB.

SECTION 6. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is permitted by the Rule, as evidenced by an opinion of counsel expert in federal securities law (which may include bond counsel to the Issuer), to the effect that such amendment or waiver would not cause the Disclosure Certificate to violate the Rule. The first Annual Report filed after enactment of any amendment to or waiver of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of information being provided in the Annual Report.

If the amendment provides for a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Owner of the Bonds may seek a court order for specific performance by the Issuer of its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not constitute a default with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action for specific performance of the Issuer's obligations hereunder and not for money damages in any amount.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Owners of the Bonds from time to time, and shall create no rights in any other person or entity.

Date: April 16, 2025

TOWN OF CHARLTON,  
MASSACHUSETTS

By \_\_\_\_\_  
Treasurer

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

\_\_\_\_\_  
Select Board

[EXHIBIT A: Filing Information for the MSRB]  
[EXHIBIT B: Form of Notice of Failure to File Annual Report]

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**Email Bid Form**

**Town of Charlton, Massachusetts**

**\$14,199,000**

**GENERAL OBLIGATION BOND ANTICIPATION NOTES**

Virginia Porter  
Treasurer  
Town of Charlton, Massachusetts 01807

Sale Date: April 2, 2025  
Dated Date: April 16, 2025

By Email to: [virginia.porter@townofcharlton.net](mailto:virginia.porter@townofcharlton.net)

Dear Ms. Porter:

For all or a portion of the principal amount of \$14,199,000 General Obligation Bond Anticipation Notes (the “Notes”), legally issued as described in the Notice of Sale dated March 26, 2025, we will pay the Town a price of not less than par **plus a premium of not less than \$2.50 per \$1,000 par amount bid (\$35,497.50 for the entire issue)** as follows, plus accrued interest to date of delivery, provided the Notes bear the following interest rate or rates:

<u><i>Principal Amount</i></u>	<u><i>Interest Rate</i></u>	<u><i>Premium</i></u>	<u><i>NIC</i></u>	<u><i>NIC</i></u>
\$ _____	_____ %	\$ _____	_____ %	\$ _____
\$ _____	_____ %	\$ _____	_____ %	\$ _____
\$ _____	_____ %	\$ _____	_____ %	\$ _____

Interest on the Notes is payable at maturity on April 16, 2026. The Notes are not subject to redemption prior to maturity.

**In making this bid, we accept the terms and conditions as defined in the Notice of Sale dated March 26, 2025. All blank spaces in this bid are intentional and are not to be construed as an omission.**

**All Bids are subject to verification prior to award.**

Submitted by:

\_\_\_\_\_

Phone:

\_\_\_\_\_

Mailing Address:

\_\_\_\_\_

\_\_\_\_\_