



TOWN OF BILLERICA, MASSACHUSETTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(With Independent Auditors' Report Thereon)

TOWN OF BILLERICA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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Independent Auditors' Report

To the Honorable Select Board
Town of Billerica, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Billerica, 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 for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform auditing 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 analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 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, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Boston, MA
December 2, 2025

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Management's Discussion and Analysis

Town of Billerica, Massachusetts

Management's Discussion and Analysis

June 30, 2024

As management of the Town of Billerica, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2024. We encourage readers to consider the information presented in this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund-based) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. The report also contains other required supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all assets and deferred outflows of resources and all liabilities and deferred inflows of resources, 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 is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent 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 periods (e.g., uncollected taxes and earned but unused vacation leave).

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Town of Billerica, Massachusetts

Management's Discussion and Analysis

June 30, 2024

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

The Town's general fund and American Rescue Plan Act (ARPA) fund are considered major funds for presentation purposes. These major funds are presented in separate columns in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The remaining governmental funds are aggregated and presented as nonmajor governmental funds.

Proprietary funds. The Town maintains two types of proprietary funds.

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses its internal service fund to account for self-insured health insurance activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial 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. The Town uses fiduciary funds to account for its Other Postemployment Benefit Trust Fund and its Private Purpose Trust Fund.

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

Town of Billerica, Massachusetts

Management's Discussion and Analysis

June 30, 2024

Financial Highlights

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's government-wide liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$23.3 million at the close of the most recent year (net position). Key components of the Town's governmental and business-type activities follow.

Governmental Activities. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$121.1 million at the close of 2024.

	2024	2023
Assets:		
Current assets.....	\$ 98,059,833	\$ 110,207,155
Capital assets, non depreciable.....	29,841,433	45,081,211
Capital assets, net of accumulated depreciation...	295,361,161	271,743,206
Total assets.....	423,262,427	427,031,572
Deferred outflows of resources.....	21,771,164	27,187,946
Liabilities:		
Current liabilities (excluding debt).....	15,874,845	20,101,017
Noncurrent liabilities (excluding debt).....	372,264,289	366,063,801
Current debt.....	9,769,091	10,595,467
Noncurrent debt.....	110,261,142	115,530,233
Total liabilities.....	508,169,367	512,290,518
Deferred inflows of resources.....	57,912,398	70,696,311
Net position:		
Net investment in capital assets.....	205,172,361	192,046,569
Restricted.....	7,330,380	9,079,020
Unrestricted.....	(333,550,915)	(329,892,900)
Total net position.....	\$ (121,048,174)	\$ (128,767,311)

Net position of \$205.2 million reflects the investment in capital assets (e.g., land, land improvements, buildings, machinery and equipment, vehicles and infrastructure), 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 investment in capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the governmental net position amounting to \$7.3 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a deficit balance of \$333.6 million. The primary reason for this deficit balance is the

Town of Billerica, Massachusetts

Management's Discussion and Analysis

June 30, 2024

recognition of the net pension and net other postemployment benefits (OPEB) liabilities of \$149.1 million and \$221.2 million, respectively.

Governmental activities net position increased by \$7.7 million during the current year, primarily due to:

- The recognition of capital grant revenue totaling \$4.8 million, which funded capital asset acquisitions relating to various infrastructure and building improvement projects.
- Overall decrease in the net pension and net other postemployment benefits liabilities and related deferred inflows and outflows of resources.

	2024	2023
Program Revenues:		
Charges for services.....	\$ 15,146,499	\$ 13,482,763
Operating grants and contributions.....	44,278,276	41,274,807
Capital grants and contributions.....	4,767,381	5,498,298
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	145,100,912	143,133,792
Tax and other liens.....	1,487,025	1,356,487
Motor vehicle and other excise taxes.....	8,094,824	7,473,619
Hotel/motel tax.....	1,058,049	909,217
Meals tax.....	652,869	650,864
Cannabis tax.....	399,015	326,908
Community preservation tax.....	1,179,494	1,148,383
Penalties and interest on taxes.....	315,792	576,918
Grants and contributions not restricted to specific programs.....	7,583,555	7,299,129
Unrestricted investment income.....	4,647,773	2,988,883
Total revenues.....	234,711,464	226,120,068
Expenses:		
General government.....	13,788,786	13,267,816
Public safety.....	39,456,377	39,118,998
Education.....	142,935,267	136,063,155
Public works.....	14,348,443	13,471,610
Human services.....	2,605,080	2,530,320
Culture and recreation.....	5,664,255	5,377,329
Community preservation.....	189,373	566,286
Interest.....	3,676,681	3,549,323
Total expenses.....	222,664,262	213,944,837
Excess before transfers.....	12,047,202	12,175,231
Transfers.....	(4,328,065)	(4,082,806)
Change in net position.....	7,719,137	8,092,425
Net position, beginning of year.....	(128,767,311)	(136,859,736)
Net position, end of year.....	\$ (121,048,174)	\$ (128,767,311)

Town of Billerica, Massachusetts

Management's Discussion and Analysis

June 30, 2024

Business-Type Activities. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$97.8 million at the close of 2024. The net investment in capital assets totaled \$94.5 million, while unrestricted net position was \$3.3 million.

	2024	2023
Assets:		
Current assets.....	\$ 21,459,195	\$ 22,582,019
Noncurrent assets (excluding capital).....	-	88,365
Capital assets, non depreciable.....	1,687,262	716,021
Capital assets, net of accumulated depreciation.....	155,254,854	157,095,107
Total assets.....	178,401,311	180,481,512
Deferred outflows of resources.....	1,552,245	1,952,391
Liabilities:		
Current liabilities (excluding debt).....	2,175,612	1,131,414
Noncurrent liabilities (excluding debt).....	15,763,286	15,794,501
Current debt.....	5,609,693	17,658,929
Noncurrent debt.....	57,119,351	52,210,787
Total liabilities.....	80,667,942	86,795,631
Deferred inflows of resources.....	1,499,888	1,857,094
Net position:		
Net investment in capital assets.....	94,522,079	90,430,156
Unrestricted.....	3,263,647	3,351,022
Total net position.....	\$ 97,785,726	\$ 93,781,178

Business-type activities net position increased by \$4.0 million during the current year, primarily due to:

- Transfers in and charges for services exceeding operational expenses for water and sewer operations.
- The recognition of capital grant revenue totaling \$782,000 associated with grant receipts and debt forgiveness received from the Massachusetts Clean Water Trust (MCWT) related to various water and sewer infrastructure projects.

In total, business-type revenues were consistent with the prior year having only increased by \$554,000 (3.8%). Associated expenses were also consistent with the prior year having only increased by \$277,000 (1.8%).

Town of Billerica, Massachusetts

Management's Discussion and Analysis

June 30, 2024

	2024	2023
Program Revenues:		
Charges for services.....	\$ 13,922,556	\$ 13,944,276
Operating grants and contributions.....	39,188	139,821
Capital grants and contributions.....	781,843	250,539
Unrestricted investment income.....	361,586	216,422
Total revenues.....	15,105,173	14,551,058
Expenses:		
Water.....	6,370,142	6,299,806
Sewer.....	9,058,548	8,851,529
Total expenses.....	15,428,690	15,151,335
Excess (Deficiency) before transfers.....	(323,517)	(600,277)
Transfers.....	4,328,065	4,082,806
Change in net position.....	4,004,548	3,482,529
Net position, beginning of year.....	93,781,178	90,298,649
Net position, end of year.....	\$ 97,785,726	\$ 93,781,178

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 year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$56.7 million, of which \$36.7 million is for the general fund, \$499,000 is for the American Rescue Plan Act (ARPA) fund, and \$19.5 million is for the nonmajor governmental funds. Cumulatively there was a decrease of \$5.4 million in fund balances from the prior year.

The general fund is the chief operating fund. At the end of the current year unassigned fund balance of the general fund was \$34.7 million while \$2.0 million was assigned for encumbrances, resulting in total fund balance of \$36.7 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund

Town of Billerica, Massachusetts

Management's Discussion and Analysis

June 30, 2024

balance represents 17.5% of total general fund expenditures, while total fund balance represents 18.5% of that same amount.

The general fund experienced a \$455,000 increase in fund balance during the current year. The increase is primarily due to revenue growth exceeding the growth in related expenditures. This was offset by using existing fund balance to supplement operations and to fund capital projects.

The American Rescue Plan Act (ARPA) fund is used to account for federal funding awarded to the Town in response to the COVID-19 pandemic. The Town recognized \$3.2 million of expenditures and intergovernmental revenue in the current year, as well as \$319,000 of investment income.

Unlike most grant programs that the Town participates in, the Town received 100% of the ARPA grant funding in advance of incurring expenditures. In accordance with generally accepted accounting principles, the Town has recognized the unexpended balance of the grant proceeds as a fund liability. At the close of the most recent year this liability totaled \$5.0 million; the liability will decrease and revenue will be recognized in future years as the Town expends funds in accordance with the grant terms and conditions.

General Fund Budgetary Highlights

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

The Town's final budgeted appropriations were \$198.6 million. Consistent with prior years, actual expenditures and carryovers were \$1.0 million less than budgeted amounts. Actual revenues were greater than budget by \$2.6 million, primarily due to the collection of unbudgeted tax lien receipts and higher than expected license and permit collections and investment income. Ending budgetary fund balance of \$13.4 million is \$408,000 less than the prior year. The change in budgetary fund balance is mainly the result of anticipated use of existing fund balance (free cash), offset by revenue surpluses and expenditures less than budgeted. The final budget increased by \$7.7 million compared to the original approved budget. These supplemental appropriations related to capital spending appropriations that were primarily funded with existing fund balance.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of year-end amounts to \$482.1 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, machinery and equipment, vehicles and infrastructure. The Town invested approximately \$23.3 million for capital asset additions in the current year.

The most significant governmental capital activity related to construction of the new public works facility, road and sidewalk infrastructure projects, and various Town building improvements. Business-type capital activity included \$1.7 million for completed and ongoing water infrastructure projects, and \$1.9 million for sewer infrastructure projects.

Town of Billerica, Massachusetts

Management's Discussion and Analysis

June 30, 2024

Debt Administration. Outstanding long-term governmental debt as of June 30, 2024, totaled \$115.5 million, a decrease of \$4.2 million from the prior year. This decrease resulted from scheduled principal payments and the amortization premiums.

Outstanding long-term business-type debt as of June 30, 2024, totaled \$62.7 million, of which \$12.0 million relates to water and \$50.7 million relates to sewer. The Town issued \$11.0 million of sewer fund long-term debt in 2024 associated with the wastewater treatment facility and pump station upgrade project.

Outstanding short-term debt totaled \$4.5 million as of June 30, 2024, and is related to public works facility construction.

Requests for Information

This financial report is designed to provide a general overview of the Town of Billerica's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Town Accountant, Town Hall, 365 Boston Road, Billerica, Massachusetts 01821.

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Basic Financial Statements

Town of Billerica, Massachusetts

Statement of Net Position

June 30, 2024

	<i>Primary Government</i>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 39,401,604	\$ 9,115,258	\$ 48,516,862
Investments.....	43,051,953	6,674,548	49,726,501
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,537,040	-	1,537,040
Tax liens.....	6,125,739	-	6,125,739
Community preservation fund surtax.....	8,372	-	8,372
Motor vehicle excise taxes.....	1,468,657	-	1,468,657
User fees.....	-	5,581,024	5,581,024
Departmental and other.....	1,075,973	-	1,075,973
Intergovernmental.....	3,235,823	-	3,235,823
Intergovernmental - subsidy.....	-	88,365	88,365
Community preservation state share.....	218,983	-	218,983
Tax foreclosures.....	1,831,189	-	1,831,189
Working capital deposit.....	104,500	-	104,500
Total current assets.....	<u>98,059,833</u>	<u>21,459,195</u>	<u>119,519,028</u>
NONCURRENT:			
Capital assets, nondepreciable.....	29,841,433	1,687,262	31,528,695
Capital assets, net of accumulated depreciation.....	<u>295,361,161</u>	<u>155,254,854</u>	<u>450,616,015</u>
Total noncurrent assets.....	<u>325,202,594</u>	<u>156,942,116</u>	<u>482,144,710</u>
TOTAL ASSETS.....	<u>423,262,427</u>	<u>178,401,311</u>	<u>601,663,738</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	13,909,619	1,370,639	15,280,258
Deferred outflows related to other postemployment benefits.....	<u>7,861,545</u>	<u>181,606</u>	<u>8,043,151</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>21,771,164</u>	<u>1,552,245</u>	<u>23,323,409</u>

See notes to financial statements.

Town of Billerica, Massachusetts
Statement of Net Position (Continued)
June 30, 2024

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
CURRENT:			
Warrants payable.....	894,137	1,302,948	2,197,085
Accrued payroll.....	565,477	97,294	662,771
Health claims payable.....	1,314,000	-	1,314,000
Tax refunds payable.....	2,139,450	-	2,139,450
Accrued interest.....	1,613,347	530,370	2,143,717
Other liabilities.....	2,482,408	-	2,482,408
Unearned revenue.....	4,971,026	-	4,971,026
Compensated absences.....	1,895,000	245,000	2,140,000
Notes payable.....	4,500,000	-	4,500,000
Bonds payable.....	5,269,091	5,609,693	10,878,784
Total current liabilities.....	25,643,936	7,785,305	33,429,241
NONCURRENT:			
Compensated absences.....	1,969,000	204,000	2,173,000
Net pension liability.....	149,111,522	14,693,292	163,804,814
Net other postemployment benefits liability.....	221,183,767	865,994	222,049,761
Bonds payable.....	110,261,142	57,119,351	167,380,493
Total noncurrent liabilities.....	482,525,431	72,882,637	555,408,068
TOTAL LIABILITIES.....	508,169,367	80,667,942	588,837,309
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	4,763,159	469,357	5,232,516
Deferred inflows related to other postemployment benefits.....	53,149,239	1,030,531	54,179,770
TOTAL DEFERRED INFLOWS OF RESOURCES.....	57,912,398	1,499,888	59,412,286
NET POSITION			
Net investment in capital assets.....	205,172,361	94,522,079	299,694,440
Restricted for:			
Permanent funds:			
Expendable.....	1,401,019	-	1,401,019
Nonexpendable.....	1,699,139	-	1,699,139
Gifts and grants.....	981,798	-	981,798
Community preservation.....	3,248,424	-	3,248,424
Unrestricted.....	(333,550,915)	3,263,647	(330,287,268)
TOTAL NET POSITION.....	\$ (121,048,174)	\$ 97,785,726	\$ (23,262,448)

See notes to financial statements.

Town of Billerica, Massachusetts

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 13,788,786	\$ 1,335,502	\$ 581,973	\$ 944,890	\$ (10,926,421)
Public safety.....	39,456,377	7,439,849	864,131	477,883	(30,674,514)
Education.....	142,935,267	5,008,599	41,905,851	-	(96,020,817)
Public works.....	14,348,443	466,173	168,466	3,058,399	(10,655,405)
Human services.....	2,605,080	410,078	390,629	-	(1,804,373)
Culture and recreation.....	5,664,255	486,298	148,243	286,209	(4,743,505)
Community preservation.....	189,373	-	218,983	-	29,610
Interest.....	3,676,681	-	-	-	(3,676,681)
Total Governmental Activities.....	222,664,262	15,146,499	44,278,276	4,767,381	(158,472,106)
<i>Business-Type Activities:</i>					
Water.....	6,370,142	6,180,456	39,188	236,506	86,008
Sewer.....	9,058,548	7,742,100	-	545,337	(771,111)
Total Business-Type Activities.....	15,428,690	13,922,556	39,188	781,843	(685,103)
Total Primary Government.....	\$ 238,092,952	\$ 29,069,055	\$ 44,317,464	\$ 5,549,224	\$ (159,157,209)

See notes to financial statements.

Town of Billerica, Massachusetts

Statement of Activities (Continued)

Year Ended June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page..... \$	(158,472,106)	(685,103)	(159,157,209)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds.....	145,100,912	-	145,100,912
Tax and other liens.....	1,487,025	-	1,487,025
Motor vehicle excise taxes.....	8,094,824	-	8,094,824
Hotel/motel tax.....	1,058,049	-	1,058,049
Meals tax.....	652,869	-	652,869
Cannabis tax.....	399,015	-	399,015
Community preservation tax.....	1,179,494	-	1,179,494
Penalties and interest on taxes.....	315,792	-	315,792
Grants and contributions not restricted to specific programs.....	7,583,555	-	7,583,555
Unrestricted investment income.....	4,647,773	361,586	5,009,359
<i>Transfers, net</i>	<u>(4,328,065)</u>	<u>4,328,065</u>	<u>-</u>
Total general revenues and transfers.....	<u>166,191,243</u>	<u>4,689,651</u>	<u>170,880,894</u>
Change in net position.....	7,719,137	4,004,548	11,723,685
<i>Net position:</i>			
Beginning of year.....	<u>(128,767,311)</u>	<u>93,781,178</u>	<u>(34,986,133)</u>
End of year..... \$	<u>(121,048,174)</u>	<u>97,785,726</u>	<u>(23,262,448)</u>

See notes to financial statements.

Town of Billerica, Massachusetts

**Governmental Funds
Balance Sheet**

June 30, 2024

	<u>General</u>	<u>American Rescue Plan Act (ARPA)</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents.....	\$ 236,182	\$ 5,469,873	\$ 20,593,822	\$ 26,299,877
Investments.....	39,733,947	-	3,318,006	43,051,953
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	1,537,040	-	-	1,537,040
Tax liens.....	6,125,739	-	-	6,125,739
Community preservation fund surtax.....	-	-	8,372	8,372
Motor vehicle excise taxes.....	1,468,657	-	-	1,468,657
Departmental and other.....	1,075,973	-	-	1,075,973
Intergovernmental.....	-	-	3,235,823	3,235,823
Community preservation state share.....	-	-	218,983	218,983
Tax foreclosures.....	1,831,189	-	-	1,831,189
TOTAL ASSETS.....	\$ 52,008,727	\$ 5,469,873	\$ 27,375,006	\$ 84,853,606
LIABILITIES				
Warrants payable.....	\$ 725,547	\$ -	\$ 168,590	\$ 894,137
Accrued payroll.....	565,477	-	-	565,477
Tax refunds payable.....	2,126,000	-	13,450	2,139,450
Other liabilities.....	389,071	-	2,093,337	2,482,408
Unearned revenue.....	-	4,971,026	-	4,971,026
Notes payable.....	-	-	4,500,000	4,500,000
TOTAL LIABILITIES.....	3,806,095	4,971,026	6,775,377	15,552,498
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue.....	11,485,370	-	1,126,380	12,611,750
FUND BALANCES				
Nonspendable.....	-	-	1,699,139	1,699,139
Restricted.....	-	498,847	17,774,110	18,272,957
Assigned.....	1,995,881	-	-	1,995,881
Unassigned.....	34,721,381	-	-	34,721,381
TOTAL FUND BALANCES.....	36,717,262	498,847	19,473,249	56,689,358
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 52,008,727	\$ 5,469,873	\$ 27,375,006	\$ 84,853,606

See notes to financial statements.

Town of Billerica, Massachusetts

**Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position**

June 30, 2024

Total governmental fund balances.....	\$	56,689,358
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		325,202,594
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		12,611,750
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		(36,141,234)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		11,892,227
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(1,613,347)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(115,530,233)	
Net pension liability.....	(149,111,522)	
Net other postemployment benefits liability.....	(221,183,767)	
Compensated absences.....	<u>(3,864,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(489,689,522)</u>
Net position of governmental activities.....	\$	<u>(121,048,174)</u>

See notes to financial statements.

Town of Billerica, Massachusetts

**Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances**

June 30, 2024

	General	American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 145,186,384	\$ -	\$ -	\$ 145,186,384
Tax liens.....	1,180,715	-	3,704	1,184,419
Motor vehicle excise taxes.....	7,533,240	-	-	7,533,240
Hotel/motel tax.....	1,058,049	-	-	1,058,049
Meals tax.....	652,869	-	-	652,869
Cannabis tax.....	399,015	-	-	399,015
Charges for services.....	-	-	371,910	371,910
Penalties and interest on taxes.....	315,792	-	-	315,792
Fees and rentals.....	2,895,783	-	-	2,895,783
Licenses and permits.....	2,040,812	-	-	2,040,812
Intergovernmental - state aid.....	28,129,617	-	-	28,129,617
Intergovernmental - Teachers Retirement.....	13,989,596	-	-	13,989,596
Intergovernmental - other.....	-	3,246,248	14,894,322	18,140,570
Departmental and other.....	890,386	-	6,152,219	7,042,605
Community preservation taxes.....	-	-	1,180,174	1,180,174
Community preservation state match.....	-	-	242,702	242,702
Contributions and donations.....	-	-	64,620	64,620
Investment income.....	3,504,538	318,596	287,631	4,110,765
TOTAL REVENUES.....	207,776,796	3,564,844	23,197,282	234,538,922
EXPENDITURES:				
Current:				
General government.....	7,679,158	902,448	1,282,652	9,864,258
Public safety.....	21,249,708	447,873	4,351,986	26,049,567
Education.....	87,266,964	800,000	14,063,750	102,130,714
Public works.....	9,606,078	800,080	8,510,155	18,916,313
Human services.....	1,293,896	9,638	502,674	1,806,208
Culture and recreation.....	3,179,352	286,209	1,917,558	5,383,119
Community preservation.....	-	-	2,649,601	2,649,601
Pension benefits.....	15,426,548	-	-	15,426,548
Pension benefits - Teachers Retirement.....	13,989,596	-	-	13,989,596
Employee benefits.....	21,741,167	-	-	21,741,167
Building insurance.....	1,647,835	-	-	1,647,835
State and county charges.....	5,937,991	-	-	5,937,991
Capital outlay.....	2,369,926	-	-	2,369,926
Debt service:				
Principal.....	3,664,000	-	-	3,664,000
Interest.....	3,802,644	-	235,966	4,038,610
TOTAL EXPENDITURES.....	198,854,863	3,246,248	33,514,342	235,615,453
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	8,921,933	318,596	(10,317,060)	(1,076,531)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	200,873	-	5,236,047	5,436,920
Transfers out.....	(8,668,065)	-	(1,096,920)	(9,764,985)
TOTAL OTHER FINANCING SOURCES (USES).....	(8,467,192)	-	4,139,127	(4,328,065)
NET CHANGE IN FUND BALANCES.....	454,741	318,596	(6,177,933)	(5,404,596)
FUND BALANCES AT BEGINNING OF YEAR.....	36,262,521	180,251	25,651,182	62,093,954
FUND BALANCES AT END OF YEAR.....	\$ 36,717,262	\$ 498,847	\$ 19,473,249	\$ 56,689,358

See notes to financial statements.

Town of Billerica, Massachusetts

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2024

Net change in fund balances - total governmental funds.....		\$ (5,404,596)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay.....	18,258,134	
Depreciation expense.....	<u>(9,879,957)</u>	
Net effect of reporting capital assets.....		8,378,177
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. This amount represents the net change in unavailable revenue.....		
		(364,466)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.		
Net amortization of premium from issuance of bonds.....	499,467	
Debt service principal payments.....	<u>3,664,000</u>	
Net effect of reporting long-term debt.....		4,163,467
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.		
Net change in compensated absences accrual.....	(163,000)	
Net change in accrued interest on long-term debt.....	(137,538)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(1,903,072)	
Net change in net pension liability.....	(289,316)	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	9,270,203	
Net change in net other postemployment benefits liability.....	<u>(5,900,172)</u>	
Net effect of recording long-term liabilities.....		877,105
The net activity of internal service funds is reported with Governmental Activities.....		<u>69,450</u>
Change in net position of governmental activities.....		\$ <u>7,719,137</u>

See notes to financial statements.

Town of Billerica, Massachusetts

Proprietary Funds Statement of Net Position

June 30, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Sewer	Total	
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 5,117,699	\$ 3,997,559	\$ 9,115,258	\$ 13,101,727
Investments.....	-	6,674,548	6,674,548	-
Receivables, net of allowance for uncollectibles:				
User fees.....	2,498,741	3,082,283	5,581,024	-
Intergovernmental - subsidy.....	88,365	-	88,365	-
Working capital deposit.....	-	-	-	104,500
Total current assets.....	7,704,805	13,754,390	21,459,195	13,206,227
NONCURRENT:				
Capital assets, non depreciable.....	1,037,198	650,064	1,687,262	-
Capital assets, net of accumulated depreciation.....	49,715,965	105,538,889	155,254,854	-
Total noncurrent assets.....	50,753,163	106,188,953	156,942,116	-
TOTAL ASSETS.....	58,457,968	119,943,343	178,401,311	13,206,227
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions.....	841,942	528,697	1,370,639	-
Deferred outflows related to other postemployment benefits.....	74,088	107,518	181,606	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	916,030	636,215	1,552,245	-
LIABILITIES				
CURRENT:				
Warrants payable.....	1,273,680	29,268	1,302,948	-
Accrued payroll.....	56,809	40,485	97,294	-
Health claims payable.....	-	-	-	1,314,000
Accrued interest.....	109,644	420,726	530,370	-
Compensated absences.....	135,000	110,000	245,000	-
Bonds payable.....	1,470,758	4,138,935	5,609,693	-
Total current liabilities.....	3,045,891	4,739,414	7,785,305	1,314,000
NONCURRENT:				
Compensated absences.....	125,000	79,000	204,000	-
Net pension liability.....	9,025,645	5,667,647	14,693,292	-
Net other postemployment benefits liability.....	466,304	399,690	865,994	-
Bonds payable.....	10,574,068	46,545,283	57,119,351	-
Total noncurrent liabilities.....	20,191,017	52,691,620	72,882,637	-
TOTAL LIABILITIES.....	23,236,908	57,431,034	80,667,942	1,314,000
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions.....	288,312	181,045	469,357	-
Deferred inflows related to other postemployment benefits.....	633,872	396,659	1,030,531	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	922,184	577,704	1,499,888	-
NET POSITION				
Net investment in capital assets.....	38,848,493	55,673,586	94,522,079	-
Unrestricted.....	(3,633,587)	6,897,234	3,263,647	11,892,227
TOTAL NET POSITION.....	\$ 35,214,906	\$ 62,570,820	\$ 97,785,726	\$ 11,892,227

See notes to financial statements.

Town of Billerica, Massachusetts

**Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position**

June 30, 2024

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	
<u>OPERATING REVENUES:</u>				
Charges for services.....	\$ 6,180,456	\$ 7,742,100	\$ 13,922,556	\$ -
Employee contributions.....	-	-	-	5,697,739
Employer contributions.....	-	-	-	15,116,889
 TOTAL OPERATING REVENUES	<u>6,180,456</u>	<u>7,742,100</u>	<u>13,922,556</u>	<u>20,814,628</u>
<u>OPERATING EXPENSES:</u>				
Cost of services and administration.....	4,266,655	3,860,576	8,127,231	-
Depreciation.....	1,809,374	4,055,462	5,864,836	-
Employee benefits.....	-	-	-	21,282,186
 TOTAL OPERATING EXPENSES.....	<u>6,076,029</u>	<u>7,916,038</u>	<u>13,992,067</u>	<u>21,282,186</u>
 OPERATING INCOME (LOSS).....	<u>104,427</u>	<u>(173,938)</u>	<u>(69,511)</u>	<u>(467,558)</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>				
Investment income.....	-	361,586	361,586	537,008
Interest expense.....	(294,113)	(1,142,510)	(1,436,623)	-
Intergovernmental - subsidy.....	39,188	-	39,188	-
 TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	<u>(254,925)</u>	<u>(780,924)</u>	<u>(1,035,849)</u>	<u>537,008</u>
 INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	<u>(150,498)</u>	<u>(954,862)</u>	<u>(1,105,360)</u>	<u>69,450</u>
 CAPITAL CONTRIBUTIONS.....	<u>236,506</u>	<u>545,337</u>	<u>781,843</u>	<u>-</u>
<u>TRANSFERS:</u>				
Transfers in.....	<u>1,808,942</u>	<u>2,519,123</u>	<u>4,328,065</u>	<u>-</u>
 CHANGE IN NET POSITION.....	<u>1,894,950</u>	<u>2,109,598</u>	<u>4,004,548</u>	<u>69,450</u>
 NET POSITION AT BEGINNING OF YEAR.....	<u>33,319,956</u>	<u>60,461,222</u>	<u>93,781,178</u>	<u>11,822,777</u>
 NET POSITION AT END OF YEAR.....	<u>\$ 35,214,906</u>	<u>\$ 62,570,820</u>	<u>\$ 97,785,726</u>	<u>\$ 11,892,227</u>

See notes to financial statements.

Town of Billerica, Massachusetts

Proprietary Funds Statement of Cash Flows

June 30, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Sewer	Total	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Receipts from customers and users.....	\$ 6,102,284	\$ 7,601,534	\$ 13,703,818	\$ -
Receipts from interfund services provided.....	-	-	-	20,800,828
Payments to vendors.....	(2,253,519)	(2,425,754)	(4,679,273)	-
Payments to employees.....	(1,828,914)	(1,476,965)	(3,305,879)	-
Payments for interfund services used.....	-	-	-	(21,221,186)
NET CASH FROM OPERATING ACTIVITIES.....	2,019,851	3,698,815	5,718,666	(420,358)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Transfers in.....	1,808,942	2,519,123	4,328,065	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Proceeds from the issuance of bonds and notes.....	-	11,568,174	11,568,174	-
Capital contributions.....	236,506	545,337	781,843	-
Acquisition and construction of capital assets.....	(1,558,419)	(2,508,320)	(4,066,739)	-
Principal payments on bonds and notes.....	(2,454,197)	(15,478,007)	(17,932,204)	-
Interest expense.....	(375,347)	(1,202,204)	(1,577,551)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(4,151,457)	(7,075,020)	(11,226,477)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Purchase of investments.....	-	(1,269,872)	(1,269,872)	-
Investment income.....	-	361,586	361,586	537,008
NET CASH FROM INVESTING ACTIVITIES.....	-	(908,286)	(908,286)	537,008
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(322,664)	(1,765,368)	(2,088,032)	116,650
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	5,440,363	5,762,927	11,203,290	12,985,077
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 5,117,699	\$ 3,997,559	\$ 9,115,258	\$ 13,101,727
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>				
<u>FROM OPERATING ACTIVITIES:</u>				
Operating income (loss).....	\$ 104,427	\$ (173,938)	\$ (69,511)	\$ (467,558)
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation.....	1,809,374	4,055,462	5,864,836	-
Deferred (outflows)/inflows related to pensions.....	115,192	72,335	187,527	-
Deferred (outflows)/inflows related to other postemployment benefits.....	(121,137)	(23,450)	(144,587)	-
Changes in assets and liabilities:				
User charges.....	(78,172)	(140,566)	(218,738)	-
Warrants payable.....	280,584	(7,202)	273,382	-
Accrued payroll.....	(82,942)	(66,086)	(149,028)	-
Health claims payable.....	-	-	-	61,000
Compensated absences.....	6,000	4,000	10,000	-
Net pension liability.....	17,512	10,997	28,509	-
Net other postemployment benefits liability.....	(30,987)	(32,737)	(63,724)	-
Total adjustments.....	1,915,424	3,872,753	5,788,177	47,200
NET CASH FROM OPERATING ACTIVITIES.....	\$ 2,019,851	\$ 3,698,815	\$ 5,718,666	\$ (420,358)
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>				
Intergovernmental subsidy of debt service.....	\$ 611,767	\$ -	\$ 611,767	\$ -

See notes to financial statements.

Town of Billerica, Massachusetts

Fiduciary funds

Statement of Fiduciary Net Position

June 30, 2024

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ 2,275,129	\$ 63,806
Investments:		
U.S. treasuries.....	3,388,004	774,604
Government sponsored enterprises.....	-	177,801
Corporate bonds.....	-	678,166
Equity securities.....	3,790,795	467,747
Fixed income.....	6,910,830	12,095
TOTAL ASSETS.....	16,364,758	2,174,219
NET POSITION		
Restricted for other postemployment benefits.....	16,364,758	-
Held in trust for other purposes.....	-	2,174,219
TOTAL NET POSITION.....	\$ 16,364,758	\$ 2,174,219

See notes to financial statements.

Town of Billerica, Massachusetts

**Fiduciary funds
Statement of Changes in Fiduciary Net Position**

June 30, 2024

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
<u>ADDITIONS:</u>		
Contributions:		
Employer contributions.....	\$ 2,313,061	\$ -
Employer contributions for other postemployment benefit payments.....	10,727,603	-
Private donations.....	-	56,945
	<u>13,040,664</u>	<u>56,945</u>
Total contributions.....		
	13,040,664	56,945
Net investment income:		
Investment income.....	1,496,947	246,034
	<u>1,496,947</u>	<u>246,034</u>
TOTAL ADDITIONS.....	<u>14,537,611</u>	<u>302,979</u>
<u>DEDUCTIONS:</u>		
Other postemployment benefit payments.....	10,727,603	-
Educational scholarships.....	-	151,120
	<u>10,727,603</u>	<u>151,120</u>
TOTAL DEDUCTIONS.....	<u>10,727,603</u>	<u>151,120</u>
NET INCREASE (DECREASE) IN NET POSITION.....	3,810,008	151,859
NET POSITION AT BEGINNING OF YEAR.....	<u>12,554,750</u>	<u>2,022,360</u>
NET POSITION AT END OF YEAR.....	\$ <u>16,364,758</u>	\$ <u>2,174,219</u>

See notes to financial statements.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town of Billerica is a municipal corporation governed by an elected Select Board. For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. The Town has determined that there are no component units.

Joint Ventures

The Town is a member of the Shawsheen Regional Technical High School District that provides educational services for the Town's high school students. The members share in the operations of the District and each member is responsible for its proportionate share of the operational and capital cost of the District, which are paid in the form of assessments. The Town does not have an equity interest in the District and the 2024 assessment was \$10,618,654.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Major Fund Criteria

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

- If 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 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If 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 5 percent of the corresponding element 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.

Internal service and fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means 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 unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

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

The following major governmental funds are reported:

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

The *American Rescue Plan Act (ARPA) fund* accounts for federal funding awarded to the Town in response to the COVID-19 pandemic.

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

The *special revenue fund* accounts for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* accounts for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

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

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary funds are reported:

The *water enterprise fund* accounts for the financial activity of the ongoing operations within the water department.

The *sewer enterprise fund* accounts for the financial activity of the ongoing operations within the sewer department.

The *internal service fund* accounts for the financing of services provided by one department to other departments or governmental units. The Town specifically uses this fund to account for risk financing activities related to the self-insured employee health program.

Fiduciary fund financial statements are reported using the flow of 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 cannot be used to support the governmental programs. The following fiduciary fund types are reported:

The *other postemployment benefits trust fund* is used to accumulate resources to provide funding for future other postemployment benefits (OPEB) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allow the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds and U.S. governmental obligations, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on July 1st and January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Tax liens are processed within 30 days of the close of the following year-end for all taxes that are considered delinquent at that time. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible accounts is not reported.

Personal property taxes cannot be secured through the lien process. The allowance for uncollectible accounts is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

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

User Fees

User fees are levied three times a year in December, April, and August based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Liens are processed every year and included as a lien on the property owner's tax bill. Charges and liens are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectible accounts.

Departmental and other

Departmental and other receivables are recorded as receivables in the year earned. The allowance for uncollectible accounts is estimated based on historical trends and specific account analysis.

Community Preservation Surcharge

The Town has adopted the Community Preservation Act and the provisions of this Act allow the Town to assess property owners an additional 1% - 3% of the total real estate commitment. Town has opted to

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

charge the full 3%. Revenues from this surcharge are credited to the Community Preservation Fund, a component of the nonmajor governmental funds, to fund open space acquisitions, affordable housing initiatives, historic preservation, and recreational uses.

Intergovernmental

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

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

G. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories represent supplies in the government-wide and fund financial statements and therefore expensed as acquired.

H. Capital Assets

Government-Wide Financial Statements

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

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

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Capital assets (excluding land and construction in process) are depreciated on a straight-line basis over the estimated useful life of the asset. The estimated useful lives of capital assets being depreciated are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	20 - 30
Buildings.....	20 - 40
Machinery and equipment.....	5 - 10
Vehicles.....	5 - 15
Infrastructure.....	40 - 50

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

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements

In addition to assets, the statement of net 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 assets that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town has recorded deferred outflows of resources related to pensions and OPEB in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has recorded deferred inflows of resources related to pensions and OPEB in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

J. Interfund Receivables and Payables

During the course of operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental and internal service funds are eliminated from the governmental activities in the statement of net position.

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “Due from other funds” or “Due to other funds” on the balance sheet.

K. Interfund Transfers and Operating Subsidy

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

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as “Transfers, net.”

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

L. Net Position and Fund Balance

Government-Wide Financial Statements (Net Position)

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 assets.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

“Permanent funds – expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings.

“Permanent funds – nonexpendable” represents the endowment portion of donor restricted trusts. Only investment earnings may be expended from this category.

“Grants and gifts” represents amounts held for school and other Town grants, and for gift funds.

“Community preservation” represents amounts held for uses restricted by law for community preservation purposes.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Sometimes the Town will fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is the Town’s policy to consider restricted fund balance to have been depleted first, followed by committed fund balance and assigned fund balance. Unassigned fund balance is applied last.

M. Long-Term Debt

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

N. Pensions

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

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

O. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL). Investment income from proprietary fund operations is voluntarily assigned and transferred to the general fund, except for the sewer stabilization fund which retains its investment income.

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

Q. Use of Estimates

Government-Wide and Fund Financial Statements

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

R. Total Column

Government-Wide Financial Statements

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

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

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

NOTE 2 – CASH 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 the trust fund are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits, and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (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 Town's deposits may not be returned to it. At year-end, the carrying amount of deposits totaled \$49,575,000 and the bank balance totaled \$54,550,373. Of the bank balance, \$2,454,098 was covered by Federal Depository Insurance, \$2,141,246 was covered by the Depositors Insurance Fund, \$41,346,327 was collateralized, and \$8,608,702 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Town's investment policy establishes the following limit to address the custodial credit risk of deposits: the Town will not have on deposit with a single financial institution more than 60% of the institution's total equity presented on its annual audited financial statements. Additionally, no single bank or bank holding company shall hold in excess of 75% of the Treasurer's cash balance for greater than three consecutive days.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Investments

As of June 30, 2024, the Town had the following investments and maturities:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
Debt securities:				
U.S. treasury notes.....	\$ 31,289,530	\$ 28,007,605	\$ 3,281,925	\$ -
Government sponsored enterprises...	4,499,329	3,783,196	716,133	-
Corporate bonds.....	<u>6,623,734</u>	<u>814,515</u>	<u>5,809,219</u>	<u>-</u>
Total debt securities.....	42,412,593	<u>\$ 32,605,316</u>	<u>\$ 9,807,277</u>	<u>\$ -</u>
Other investments:				
Equity securities.....	16,489,890			
Fixed income.....	7,024,060			
Money market mutual funds.....	1,215,474			
MMDT - Cash portfolio.....	<u>65,323</u>			
Total investments.....	\$ 67,207,340			

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town's investments in government sponsored enterprises, corporate bonds and equity securities are subject to custodial credit risk exposure because the related securities are uninsured, unregistered and held by the counterparty. Excluding investments in United States treasury notes and MMDT, no more than 5% of the Town's total investment portfolio will be held by any single financial institution.

Interest Rate Risk

The Town's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Credit Risk

The Town has not adopted a formal policy related to credit risk. As of June 30, 2024, the Town's investments in U.S. treasuries and government sponsored enterprises were AA rated, and its investments in corporate bonds were rated as follows:

<u>Quality Rating</u>	<u>Corporate Bonds</u>	<u>Government Sponsored Enterprises</u>
AAA.....	\$ 703,890	\$
AA+.....	-	4,499,329
A+.....	751,700	-
A.....	2,382,059	-
A-.....	1,366,593	-
BBB+.....	616,039	-
BBB.....	803,453	-
Total.....	\$ <u>6,623,734</u>	\$ <u>4,499,329</u>

Concentration of Credit Risk

The Town will minimize the concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The Town did not have more than 5% of its investments in any one individual security.

Fair Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

The Town has the following recurring fair value measurements as of June 30, 2024:

Investment Type	June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 31,289,530	\$ -	\$ 31,289,530	\$ -
Government sponsored enterprises.....	4,499,329	-	4,499,329	-
Corporate bonds.....	6,623,734	-	6,623,734	-
Total debt securities.....	42,412,593	-	42,412,593	-
<u>Other investments:</u>				
Equity securities.....	16,489,890	16,489,890	-	-
Fixed income.....	7,024,060	7,024,060	-	-
Money market mutual funds.....	1,215,474	1,215,474	-	-
Total other investments.....	24,729,424	24,729,424	-	-
Total investments measured at fair value.....	67,142,017	\$ 24,729,424	\$ 42,412,593	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	65,323			
Total investments.....	\$ 67,207,340			

Equity securities, fixed income, and money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S treasury notes, government sponsored enterprises, and corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and thereafter adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the MMDT advisor.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

NOTE 3 – RECEIVABLES

At June 30, 2024, receivables for the individual major and nonmajor governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes..... \$	1,933,240	\$ (396,200)	\$ 1,537,040
Tax liens.....	6,125,739	-	6,125,739
Community preservation fund surtax.....	8,372	-	8,372
Motor vehicle and other excise taxes.....	2,551,157	(1,082,500)	1,468,657
Departmental and other.....	1,708,573	(632,600)	1,075,973
Intergovernmental.....	3,235,823	-	3,235,823
Community preservation state share.....	218,983	-	218,983
Total..... \$	<u>15,781,887</u>	<u>\$ (2,111,300)</u>	<u>\$ 13,670,587</u>

At June 30, 2024, receivables for the water and sewer enterprise funds consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Water user fees..... \$	2,498,741	\$ -	\$ 2,498,741
Water intergovernmental - subsidy.....	88,365	-	88,365
Sewer user fees.....	3,082,283	-	3,082,283
Total..... \$	<u>5,669,389</u>	<u>\$ -</u>	<u>\$ 5,669,389</u>

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

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

	General Fund	Other Governmental Funds	Total
<u>Receivables and other assets:</u>			
Real estate and personal property taxes..... \$	983,812	\$ -	\$ 983,812
Tax liens.....	6,125,739	-	6,125,739
Community preservation fund surtax.....	-	8,372	8,372
Motor vehicle and other excise taxes.....	1,468,657	-	1,468,657
Departmental and other.....	1,075,973	-	1,075,973
Intergovernmental.....	-	899,025	899,025
Community preservation state share.....	-	218,983	218,983
Tax foreclosures.....	1,831,189	-	1,831,189
Total..... \$	<u>11,485,370</u>	<u>\$ 1,126,380</u>	<u>\$ 12,611,750</u>

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

NOTE 4 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 25,186,152	\$ -	\$ -	\$ 25,186,152
Construction in progress.....	19,895,059	3,886,777	(19,126,555)	4,655,281
Total capital assets not being depreciated.....	45,081,211	3,886,777	(19,126,555)	29,841,433
<u>Capital assets being depreciated:</u>				
Land improvements.....	12,219,215	1,905,063	(275,512)	13,848,766
Buildings.....	285,092,539	23,427,623	-	308,520,162
Machinery and equipment.....	10,871,496	699,751	(346,821)	11,224,426
Vehicles.....	12,962,158	1,467,789	(278,134)	14,151,813
Infrastructure.....	52,267,292	5,997,686	-	58,264,978
Total capital assets being depreciated.....	373,412,700	33,497,912	(900,467)	406,010,145
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(5,282,353)	(513,377)	275,512	(5,520,218)
Buildings.....	(66,383,654)	(6,599,975)	-	(72,983,629)
Machinery and equipment.....	(7,644,062)	(435,242)	346,821	(7,732,483)
Vehicles.....	(10,742,833)	(938,507)	278,134	(11,403,206)
Infrastructure.....	(11,616,592)	(1,392,856)	-	(13,009,448)
Total accumulated depreciation.....	(101,669,494)	(9,879,957)	900,467	(110,648,984)
Total capital assets being depreciated, net.....	271,743,206	23,617,955	-	295,361,161
Total governmental activities capital assets, net.....	\$ 316,824,417	\$ 27,504,732	\$ (19,126,555)	\$ 325,202,594

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

	Beginning Balance	Increases	Decreases	Ending Balance
Water:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 65,957	\$ -	\$ -	\$ 65,957
Construction in progress.....	-	971,241	-	971,241
Total capital assets not being depreciated.....	65,957	971,241	-	1,037,198
<u>Capital assets being depreciated:</u>				
Machinery and equipment.....	1,264,585	439,068	(11,200)	1,692,453
Vehicles.....	399,047	349,247	(32,405)	715,889
Infrastructure.....	75,008,349	727,948	(319,222)	75,417,075
Total capital assets being depreciated.....	76,671,981	1,516,263	(362,827)	77,825,417
<u>Less accumulated depreciation for:</u>				
Machinery and equipment.....	(681,187)	(108,948)	11,200	(778,935)
Vehicles.....	(361,971)	(29,465)	32,405	(359,031)
Infrastructure.....	(25,619,747)	(1,670,961)	319,222	(26,971,486)
Total accumulated depreciation.....	(26,662,905)	(1,809,374)	362,827	(28,109,452)
Total capital assets being depreciated, net.....	50,009,076	(293,111)	-	49,715,965
Total water activities capital assets, net.....	\$ 50,075,033	\$ 678,130	\$ -	\$ 50,753,163
Sewer:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 650,064	\$ -	\$ -	\$ 650,064
<u>Capital assets being depreciated:</u>				
Buildings.....	2,924,117	-	-	2,924,117
Machinery and equipment.....	216,834	248,401	(47,281)	417,954
Vehicles.....	807,445	341,405	-	1,148,850
Infrastructure.....	169,522,861	1,918,514	(152,361)	171,289,014
Total capital assets being depreciated.....	173,471,257	2,508,320	(199,642)	175,779,935
<u>Less accumulated depreciation for:</u>				
Buildings.....	(2,448,948)	(73,103)	-	(2,522,051)
Machinery and equipment.....	(149,055)	(28,361)	47,281	(130,135)
Vehicles.....	(603,818)	(71,911)	-	(675,729)
Infrastructure.....	(63,183,405)	(3,882,087)	152,361	(66,913,131)
Total accumulated depreciation.....	(66,385,226)	(4,055,462)	199,642	(70,241,046)
Total capital assets being depreciated, net.....	107,086,031	(1,547,142)	-	105,538,889
Total sewer activities capital assets, net.....	\$ 107,736,095	\$ (1,547,142)	\$ -	\$ 106,188,953

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

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

Governmental Activities:

General government.....	\$ 500,437
Public safety.....	1,029,922
Education.....	5,842,190
Public works.....	2,034,482
Human services.....	4,734
Culture and recreation.....	401,361
Community preservation.....	<u>66,831</u>

Total depreciation expense - governmental activities..... \$ 9,879,957

Business-Type Activities:

Water.....	\$ 1,809,374
Sewer.....	<u>4,055,462</u>

Total depreciation expense - business-type activities..... \$ 5,864,836

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024, are summarized as follows:

Transfers Out:	Transfers In:		
	General fund	Nonmajor governmental funds	Total
General fund.....	\$ -	\$ 4,340,000	\$ 4,340,000 (1)
Nonmajor governmental funds.....	<u>200,873</u>	<u>896,047</u>	<u>1,096,920</u> (2)
Total.....	\$ <u>200,873</u>	\$ <u>5,236,047</u>	\$ <u>5,436,920</u>

- 1) Transfers from the general fund to nonmajor capital project funds and to nonmajor special revenue funds.
- 2) Transfers from the nonmajor governmental funds to the general fund, and transfers between nonmajor governmental funds to reallocate resources.

Also, the Annual Town Meeting approved a general fund transfer to the water enterprise fund in the amount of \$1,808,942 and a transfer to the sewer enterprise fund in the amount of \$2,519,123.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

NOTE 6 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANs or TANs).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANs) or grant anticipation notes (GANs).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund.

Details related to the short-term debt activity for the year ended June 30, 2024, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2023	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2024
Governmental Funds:							
BAN	High School.....	4.00%	09/18/23	\$ 5,932,000	\$ -	\$ (5,932,000)	\$ -
BAN	Historic Howe School.....	4.00%	09/18/23	500,000	-	(500,000)	-
BAN	Public Works Facility.....	4.25%	09/18/24	-	4,500,000	-	4,500,000
Total Governmental Funds.....				\$ 6,432,000	\$ 4,500,000	\$ (6,432,000)	\$ 4,500,000
Sewer Enterprise Fund:							
BAN	MCWT Interim Financing...	0.00%	06/30/24	\$ 10,778,189	\$ 582,443	\$ (11,360,632)	\$ -

(1) On September 18, 2024, the outstanding BAN was retired with the issuance of a new BAN with an interest rate of 4.00% and maturity date of September 18, 2025.

NOTE 7 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

The Town receives subsidy assistance from the Massachusetts Clean Water Trust (MCWT). Future subsidies of capital expenses are structured as principal subsidies of principal payments. Interest on the outstanding bonds for MCWT is subsidized over the life of the bonds to assist the Town in repayment of this future debt. Future principal subsidies of \$88,365 have been recorded as an intergovernmental receivable in the water enterprise fund. During 2024, the Town's principal and interest subsidy amounted to approximately \$651,000.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Details related to the outstanding indebtedness at June 30, 2024, and the debt service requirements are as follows:

Bond Payable Schedule – Governmental Activities

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2024
<u>General obligations:</u>				
Municipal Purpose Bonds of 2013.....	2033	\$ 15,535,000	2.00-4.00	\$ 3,980,000
Municipal Purpose Bonds of 2013 - Refunding.....	2025	2,160,000	1.00-4.00	210,000
Municipal Purpose Bonds of 2017 - Refunding.....	2028	465,000	3.00-5.00	170,000
Municipal Purpose Bonds of 2017.....	2047	85,310,000	3.00-5.00	72,090,000
Municipal Purpose Bonds of 2019.....	2040	5,490,000	2.75-5.00	4,150,000
Municipal Purpose Bonds of 2022.....	2042	12,263,000	2.00-5.00	11,000,000
Municipal Purpose Bonds of 2022 - Refunding.....	2031	866,000	2.00-5.00	684,000
Municipal Purpose Bonds of 2023.....	2052	<u>17,940,000</u>	4.00-5.00	<u>17,940,000</u>
Total Bonds Payable.....		\$ <u>140,029,000</u>		110,224,000
Add: Unamortized premium on bonds.....				<u>5,306,233</u>
Total Bonds Payable, net.....				\$ <u>115,530,233</u>

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Debt service requirements for principal and interest for governmental general obligation bonds payable in future years are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025.....	\$ 4,751,000	\$ 4,236,851	\$ 8,987,851
2026.....	4,626,000	4,020,683	8,646,683
2027.....	4,767,000	3,794,451	8,561,451
2028.....	4,872,000	3,566,401	8,438,401
2029.....	4,837,000	3,334,801	8,171,801
2030.....	4,913,000	3,152,126	8,065,126
2031.....	4,933,000	2,971,916	7,904,916
2032.....	4,955,000	2,748,482	7,703,482
2033.....	5,035,000	2,582,544	7,617,544
2034.....	4,710,000	2,422,356	7,132,356
2035.....	4,790,000	2,273,850	7,063,850
2036.....	4,890,000	2,119,075	7,009,075
2037.....	4,930,000	1,961,944	6,891,944
2038.....	4,470,000	1,813,266	6,283,266
2039.....	4,590,000	1,647,673	6,237,673
2040.....	4,715,000	1,476,945	6,191,945
2041.....	4,630,000	1,304,007	5,934,007
2042.....	4,775,000	1,128,869	5,903,869
2043.....	4,350,000	954,400	5,304,400
2044.....	4,510,000	780,400	5,290,400
2045.....	4,485,000	603,700	5,088,700
2046.....	4,655,000	424,300	5,079,300
2047.....	4,835,000	238,100	5,073,100
2048.....	240,000	44,550	284,550
2049.....	240,000	34,650	274,650
2050.....	240,000	24,750	264,750
2051.....	240,000	14,850	254,850
2052.....	240,000	4,950	244,950
Total.....	\$ <u>110,224,000</u>	\$ <u>49,680,889</u>	\$ <u>159,904,889</u>

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Bond Payable Schedule – Water Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2024
<u>General obligations:</u>				
Water Refunding of 2013.....	2025	\$ 259,000	1.00-4.00	\$ 25,000
Water Refunding of 2017.....	2028	2,065,000	3.00-5.00	790,000
Water Bonds of 2019.....	2040	4,385,000	2.50-5.00	2,510,000
Water Refunding of 2019.....	2030	215,000	2.50-5.00	135,000
Subtotal General Obligation Bonds Payable.....		\$ 6,924,000		3,460,000
<u>Direct borrowings:</u>				
MCWT of 2004.....	2025	\$ 4,431,397	4.64	291,926
MCWT of 2022.....	2041	9,316,240	1.50	8,085,317
Subtotal Direct Borrowings Payable.....		\$ 13,747,637		8,377,243
Add: Unamortized premium on bonds.....				207,583
Total Bonds Payable, net.....				\$ 12,044,826

Debt service requirements for principal and interest for water enterprise fund bonds payable in future years are as follows:

Year	General Obligation Bonds			Direct Borrowings Payable		
	Principal	Interest	Total	Principal	Interest	Total
2025.....	\$ 705,000	\$ 146,378	\$ 851,378	\$ 707,360	\$ 128,655	\$ 836,015
2026.....	680,000	113,112	793,112	422,346	115,048	537,394
2027.....	685,000	79,737	764,737	429,372	108,714	538,086
2028.....	675,000	45,987	720,987	436,516	102,272	538,788
2029.....	215,000	20,062	235,062	443,778	95,724	539,502
2030.....	65,000	14,462	79,462	451,162	89,068	540,230
2031.....	45,000	12,262	57,262	458,667	82,300	540,967
2032.....	45,000	10,687	55,687	466,299	75,420	541,719
2033.....	45,000	9,450	54,450	474,057	68,426	542,483
2034.....	45,000	8,213	53,213	481,943	61,316	543,259
2035.....	45,000	6,863	51,863	489,961	54,086	544,047
2036.....	45,000	5,513	50,513	498,113	46,736	544,849
2037.....	45,000	4,219	49,219	506,400	39,266	545,666
2038.....	45,000	2,925	47,925	514,826	31,670	546,496
2039.....	40,000	1,650	41,650	523,391	23,946	547,337
2040.....	35,000	525	35,525	532,099	16,096	548,195
2041.....	-	-	-	540,953	8,114	549,067
Total.....	\$ 3,460,000	\$ 482,045	\$ 3,942,045	\$ 8,377,243	\$ 1,146,857	\$ 9,524,100

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Bond Payable Schedule – Sewer Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2024
<u>General obligations:</u>				
Sewer Bonds of 2013.....	2033	\$ 1,412,000	1.00-4.00	\$ 585,000
Sewer Refunding of 2013.....	2025	2,834,000	3.00-5.00	250,000
Sewer Refunding of 2017.....	2027	882,000	2.75-3.00	255,000
Sewer Bonds of 2019.....	2040	760,000	2.75-5.00	600,000
Sewer Refunding of 2019.....	2030	2,730,000	2.50-5.00	1,615,000
Sewer Refunding of 2022.....	2031	<u>1,161,000</u>	2.00-5.00	<u>921,000</u>
Subtotal General Obligation Bonds Payable.....		\$ <u>9,779,000</u>		<u>4,226,000</u>
<u>Direct borrowings:</u>				
MCWT of 2011.....	2031	\$ 9,527,457	2.00	3,681,210
MCWT of 2015.....	2035	21,876,550	2.00	12,022,036
MCWT of 2019.....	2037	4,172,475	2.00	3,170,403
MCWT of 2020.....	2037	7,641,845	2.00	6,086,477
MCWT of 2023.....	2041	11,226,195	2.00	10,688,452
MCWT of 2024.....	2043	<u>10,985,731</u>	1.50	<u>10,518,257</u>
Subtotal Direct Borrowings Payable.....		\$ <u>65,430,253</u>		<u>46,166,835</u>
Add: Unamortized premium on bonds.....				<u>291,383</u>
Total Bonds Payable, net.....				\$ <u>50,684,218</u>

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Debt service requirements for principal and interest for sewer enterprise fund bonds payable in future years are as follows:

Year	General Obligation Bonds			Direct Borrowings Payable		
	Principal	Interest	Total	Principal	Interest	Total
2025.....	\$ 849,000	\$ 158,874	\$ 1,007,874	\$ 3,213,404	\$ 789,977	\$ 4,003,381
2026.....	599,000	129,756	728,756	3,256,291	734,877	3,991,168
2027.....	613,000	101,806	714,806	3,300,053	678,959	3,979,012
2028.....	528,000	75,431	603,431	3,344,708	622,199	3,966,907
2029.....	528,000	51,981	579,981	3,390,281	564,590	3,954,871
2030.....	422,000	32,306	454,306	3,436,780	506,109	3,942,889
2031.....	237,000	19,116	256,116	3,484,230	446,733	3,930,963
2032.....	105,000	12,963	117,963	2,963,505	392,148	3,355,653
2033.....	100,000	9,813	109,813	3,001,443	342,436	3,343,879
2034.....	35,000	6,737	41,737	3,040,156	292,014	3,332,170
2035.....	35,000	5,687	40,687	3,079,667	240,856	3,320,523
2036.....	35,000	4,637	39,637	2,027,079	188,960	2,216,039
2037.....	35,000	3,631	38,631	2,068,229	151,268	2,219,497
2038.....	35,000	2,625	37,625	1,285,176	112,800	1,397,976
2039.....	35,000	1,575	36,575	1,310,108	90,042	1,400,150
2040.....	35,000	525	35,525	1,335,528	66,832	1,402,360
2041.....	-	-	-	1,361,453	43,166	1,404,619
2042.....	-	-	-	629,138	19,032	648,170
2043.....	-	-	-	639,606	9,594	649,200
Total.....	\$ 4,226,000	\$ 617,460	\$ 4,843,460	\$ 46,166,835	\$ 6,292,592	\$ 52,459,427

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2024, the Town had authorized and unissued debt as follows:

Purpose	Amount
Sewer force main construction 10/05/21.....	14,000,000
Sewer line construction 10/05/21.....	22,000,000
DPW facility design 05/05/22.....	4,500,000
Sewer betterments 05/05/22.....	4,250,000
Water resource facility construction 05/10/22.....	1,650,000
Water line restoration 10/04/22.....	750,000
Water stand pipe restoration 05/03/23.....	3,000,000
DPW facility construction 10/03/23.....	50,000,000
Boston Road water mains 10/03/23.....	700,000
WWTP Fournier Press 10/03/23.....	500,000
Yankee Doodle bike path water work 05/07/24.....	690,000
Yankee Doodle bike path easements 05/07/24.....	2,000,000
Total.....	<u>\$ 104,040,000</u>

Changes in Long-Term Liabilities

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

	Beginning Balance	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
General obligation bonds payable.....	\$ 113,888,000	\$ -	\$ (3,664,000)	\$ -	\$ -	\$ 110,224,000	\$ 4,751,000
Add: Unamortized premium on bonds....	5,805,700	-	-	-	(499,467)	5,306,233	518,091
Total bonds payable.....	119,693,700	-	(3,664,000)	-	(499,467)	115,530,233	5,269,091
Compensated absences.....	3,701,000	-	-	1,906,000	(1,743,000)	3,864,000	1,895,000
Net pension liability.....	148,822,206	-	-	14,327,698	(14,038,382)	149,111,522	-
Net other postemployment benefits.....	215,283,595	-	-	9,270,201	(3,370,029)	221,183,767	-
Total governmental activity long-term liabilities.....	<u>\$ 487,500,501</u>	<u>\$ -</u>	<u>\$ (3,664,000)</u>	<u>\$ 25,503,899</u>	<u>\$ (19,650,878)</u>	<u>\$ 489,689,522</u>	<u>\$ 7,164,091</u>
Business-Type Activities:							
General obligation bonds payable.....	\$ 9,352,000	\$ -	\$ (1,666,000)	\$ -	\$ -	\$ 7,686,000	\$ 1,554,000
Direct borrowings payable.....	49,075,686	10,985,731	(5,517,339)	-	-	54,544,078	3,920,764
Add: Unamortized premium on bonds....	663,841	-	-	-	(164,875)	498,966	134,929
Total bonds payable.....	59,091,527	10,985,731	(7,183,339)	-	(164,875)	62,729,044	5,609,693
Compensated absences.....	439,000	-	-	249,000	(239,000)	449,000	245,000
Net pension liability.....	14,664,783	-	-	1,411,836	(1,383,327)	14,693,292	-
Net other postemployment benefits.....	929,718	-	-	144,586	(208,310)	865,994	-
Total business-type activity long-term liabilities.....	<u>\$ 75,125,028</u>	<u>\$ 10,985,731</u>	<u>\$ (7,183,339)</u>	<u>\$ 1,805,422</u>	<u>\$ (1,995,512)</u>	<u>\$ 78,737,330</u>	<u>\$ 5,854,693</u>

The governmental activities long-term liabilities are generally liquidated by the general fund and the business-type activities long-term liabilities are generally liquidated by the applicable enterprise fund.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the Town from its highest level of decision-making authority.
- Assigned: fund balances that contain self-imposed constraints of the Town to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

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

At year-end, the balances of the general stabilization fund, land stabilization fund, school stabilization fund, and governmental debt stabilization funds were \$5.8 million, \$402,000, \$922,000, and \$16.7 million, respectively. All are reported as unassigned fund balance within the general fund.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

At June 30, 2024, the governmental fund balances consisted of the following:

	General	American Rescue Plan Act (ARPA) Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal..... \$	- \$	- \$	1,699,139 \$	1,699,139
Restricted for:				
American Rescue Plan Act (ARPA).....	-	498,847	-	498,847
Town revolving.....	-	-	1,497,838	1,497,838
Town grants.....	-	-	817,997	817,997
Town receipts reserved.....	-	-	461,326	461,326
School lunch.....	-	-	341,034	341,034
School revolving.....	-	-	1,478,175	1,478,175
School grants.....	-	-	163,801	163,801
Recreation revolving.....	-	-	580,476	580,476
Community preservation.....	-	-	3,019,702	3,019,702
Other special revenue.....	-	-	2,239,219	2,239,219
General government capital projects.....	-	-	362,354	362,354
Public safety capital projects.....	-	-	1,283,671	1,283,671
School capital projects.....	-	-	1,138,780	1,138,780
Highway capital projects.....	-	-	1,808,570	1,808,570
Stormwater drainage capital projects.....	-	-	202,071	202,071
Recreation capital projects.....	-	-	829,677	829,677
Cemetery capital projects.....	-	-	148,400	148,400
Cemetery perpetual care.....	-	-	1,401,019	1,401,019
Assigned to:				
General government.....	967,653	-	-	967,653
Public safety.....	139,153	-	-	139,153
Education.....	310,686	-	-	310,686
Public works.....	42,759	-	-	42,759
Human services.....	29,637	-	-	29,637
Culture and recreation.....	6,297	-	-	6,297
Capital outlay.....	499,696	-	-	499,696
Unassigned.....	34,721,381	-	-	34,721,381
Total Fund Balances..... \$	<u>36,717,262</u>	<u>\$ 498,847</u>	<u>\$ 19,473,249</u>	<u>\$ 56,689,358</u>

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

NOTE 9 – 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 Town participates in a premium-based workers' compensation insurance plan for its non-police and fire employees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town is fully self-insured for its employee and retiree health insurance activities. The Town is fully insured for workers' compensation program for police officers and firefighters. The health insurance activities are accounted for in the internal service fund. The workers' compensation activities are accounted for in the general fund.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The estimate of the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends, and other economic and social factors.

The Town estimates its incurred but not reported (IBNR) health claims based on historical and current claim payment analysis. The Town purchases individual stop loss insurance for claims in excess of the \$125,000 coverage provided by the Town. At June 30, 2024, the liability for health insurance claims totaled \$1,314,000.

Changes in the reported liability since July 1, 2022, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2023.....	\$ 1,214,000	\$ 20,270,394	\$ (20,231,394)	\$ 1,253,000
2024.....	1,253,000	21,343,186	(21,282,186)	1,314,000

Workers' Compensation

The Town's liability related to incurred but not reported claims for police officers and/or firefighter's workers' compensation is not material at June 30, 2024, and is therefore not reported.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

NOTE 10 – PENSION PLAN

Plan Descriptions

The Town is a member of the Middlesex County Retirement System (MCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 71 member units. The System is administered by a five-member board (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting www.middlesexretirement.org.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <https://mtrs.state.ma.us/service/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2023. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$13,989,596, is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$149,829,444 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

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

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

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the MCRS a legislatively mandated actuarially determined contribution that is apportioned amongst the employers based on the actuarial data. The Town's actual contribution was \$15,421,709, which was equal to its proportionate share of the actuarial required contribution. This amount, when combined with plan member contributions, is expected to finance the cost of benefits earned by plan members during the year, with an additional amount to finance any unfunded liability. The total member contribution is equal to 36.36% of covered payroll.

Pension Liabilities

At June 30, 2024, the Town reported a liability of \$163,804,814 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, 2024. Accordingly, rollback procedures were used to roll back the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2023, the Town's proportion was 9.69%, which increased from its 9.63% proportion measured at December 31, 2022.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Pension Expense

For the year ended June 30, 2024, the Town recognized pension expense of \$17,830,133. 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 Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between expected and actual experience.....	\$ 4,712,905	\$ -	\$ 4,712,905
Difference between projected and actual earnings, net.....	8,397,692	-	8,397,692
Changes in assumptions.....	1,052,592	-	1,052,592
Changes in proportion and proportionate share of contributions.....	<u>1,117,069</u>	<u>(5,232,516)</u>	<u>(4,115,447)</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>15,280,258</u>	\$ <u>(5,232,516)</u>	\$ <u>10,047,742</u>

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

Year ended June 30:

2025.....	\$ 1,546,788
2026.....	2,762,979
2027.....	5,790,872
2028.....	<u>(52,897)</u>
Total.....	\$ <u>10,047,742</u>

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement date that was rolled back to December 31, 2023:

Valuation date.....	January 1, 2024.
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method - UAAL.....	Prior year's total contribution increased by 6.50% for fiscal 2023, through fiscal 2028, and thereafter the remaining unfunded liability will be amortized on a 4.00% annual increasing basis; ERI liability amortized in level payments.
Remaining amortization period.....	14 years from July 1, 2022.
Asset valuation method.....	The difference between the expected return and the actual investment return on a fair value basis is recognized over a five year period. Asset value is adjusted as necessary to be within 20% of the fair value.
Investment rate of return/discount rate.....	7.15%.
Inflation rate.....	3.25%.
Projected salary increases.....	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4.
Cost of living adjustments.....	5.00% of the first \$16,000 for fiscal 2023 and 3.00% of the first \$16,000 thereafter.
Mortality rates:	
Pre-Retirement.....	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Healthy Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled Retiree.....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. 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 January 1, 2024, are summarized below:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	22.00%	6.29%
International developed markets equity.....	9.50%	6.39%
International emerging markets equity.....	4.50%	7.63%
Core fixed income.....	15.00%	1.72%
High-yield fixed income.....	9.00%	3.43%
Real estate.....	10.00%	3.24%
Timber.....	4.00%	3.72%
Hedge Funds, GTAA, risk parity.....	10.00%	2.87%
Private equity.....	16.00%	9.43%
Total.....	100.00%	

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.95%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. 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.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

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

The following table presents the net pension liability, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount (7.15%)	1% Increase (8.15%)
The Town's proportionate share of the net pension liability.....	\$ 205,071,939	\$ 163,804,814	\$ 129,077,143

Changes in Assumptions - None.

Changes in Plan Provisions - Effective December 31, 2023, pursuant to chapter 269 of the Acts of 2022, the Board approved a one-time increase in the COLA from 3% to 5% effective July 1, 2022.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Town of Billerica administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides health, dental and life insurance for eligible retirees and their spouses through a single-employer defined Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 50% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining percentage of their premium costs. For 2024, the Town’s age-adjusted contribution to the plan totaled \$10.7 million.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and enabled the Town to raise taxes necessary to begin pre-funding its OPEB liabilities. During 2024, the Town pre-funded future OPEB liabilities totaling \$2.3 million by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2024, the balance of this fund totaled \$16.4 million.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Investment Policy

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Select Board by a majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy.

Employees Covered by Benefit Terms

The following represents the Plan's membership at June 30, 2024:

Active members.....	1,126
Retired, disabled, survivors and beneficiaries receiving benefits....	<u>933</u>
Total.....	<u>2,059</u>

Components of OPEB Liability

The following represents the components of the Town's net OPEB liability as of June 30, 2024:

Total OPEB liability.....	\$ 238,414,519
Less: OPEB plan's fiduciary net position.....	<u>(16,364,758)</u>
Net OPEB liability.....	<u>\$ 222,049,761</u>
The OPEB plan's fiduciary net position	
as a percentage of the total OPEB liability.....	6.86%

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

Significant Actuarial Methods and Assumptions

The total OPEB liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2024:

Valuation date.....	January 1, 2023.
Actuarial cost method.....	Entry Age Normal Cost Method.
Asset valuation method.....	Fair value of assets with payables and receivables.
Investment rate of return/discount rate.....	6.50% per year, net of investment expenses.
Inflation rate.....	2.50% per year.
Health trend rates.....	Commercial Managed Care: 8.58% decreasing to an ultimate rate of 5% in 2032. Commercial Indemnity: 8.7% decreasing to an ultimate rate of 5% in 2032. Medicare Managed Care: 6.4% decreasing to an ultimate rate of 5% in 2032. Medicare Indemnity: 5.79% decreasing to an ultimate rate of 5% in 2032.
Payroll growth.....	3.00% per year.
Mortality rates:	
Actives and retirees.....	PUB-2010 Headcount-weighted Mortality Tables, sex-distinct, for Employees and Healthy Retirees projected using generational mortality and scale MP-2021.
Disabled.....	PUB-2010 Headcount-weighted Mortality Tables, sex-distinct, for Healthy Retirees projected using generational mortality and scale MP-2021, set forward two years.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

The long-term expected real rate of return reflects the expected rate of return on plan assets adjusted for the expected rate of inflation. Note that the discount rate includes the effect of inflation. The long-term real rate of return removes the effect of inflation on the return amounts. It is a long-term assumption and is meant to reflect a reasonable estimate of future experience, based on the expected asset allocation. The allocation percentages are based on information provided by the Town and the asset manager.

Best estimates of real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
U.S. equities.....	62.00%	5.60%
International developed market equities.....	8.00%	4.50%
International emerging market equities.....	5.00%	5.70%
Fixed income - ultra short.....	24.50%	0.50%
Cash.....	0.50%	0.00%
Total.....	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50% as of June 30, 2024, and as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members.

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

The following table presents the net other postemployment benefit liability, calculated using the discount rate of 6.50%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability.....	\$ 251,348,302	\$ 222,049,761	\$ 197,819,499

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

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

The following table presents the net other postemployment benefit liability, calculated using the current healthcare trend rate, as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher:

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB liability.....	\$ 191,867,735	\$ 222,049,761	\$ 259,516,443

Changes in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	Total OPEB	Plan	Net OPEB
	Liability	Fiduciary	Liability
	(a)	Net Position	(a) - (b)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at June 30, 2023.....	\$ 228,768,063	\$ 12,554,750	\$ 216,213,313
Changes for the year:			
Service cost.....	5,495,570	-	5,495,570
Interest.....	14,878,489	-	14,878,489
Changes in assumptions.....	-	-	-
Benefit payments.....	(10,727,603)	(10,727,603)	-
Contributions - employer.....	-	13,040,664	(13,040,664)
Net investment income.....	-	1,496,947	(1,496,947)
Net change.....	<u>9,646,456</u>	<u>3,810,008</u>	<u>5,836,448</u>
Balances at June 30, 2024.....	\$ <u>238,414,519</u>	\$ <u>16,364,758</u>	\$ <u>222,049,761</u>

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Town recognized OPEB expense of \$9,462,324, and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience..... \$	-	\$ (50,539,163)	\$ (50,539,163)
Difference between projected and actual earnings, net.....	-	(531,581)	(531,581)
Changes in assumptions.....	8,043,151	(3,109,026)	4,934,125
Total deferred outflows/(inflows) of resources..... \$	<u>8,043,151</u>	<u>\$ (54,179,770)</u>	<u>\$ (46,136,619)</u>

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

Year ended June 30:

2025.....	\$ (9,795,564)
2026.....	(9,141,494)
2027.....	(9,343,487)
2028.....	(7,720,165)
2029.....	(7,243,994)
Thereafter.....	<u>(2,891,915)</u>
Total deferred outflows/(inflows) of resources..... \$	<u>\$ (46,136,619)</u>

Changes of Assumptions - None.

Changes in Plan Provisions - None.

NOTE 12 – COMMITMENTS

The general fund has various commitments outstanding for goods and services related to encumbrances totaling approximately \$2.0 million reported in assigned fund balance.

The Town has also entered into, or is planning to enter into, additional contracts totaling approximately \$104.0 million for various projects including sewer line and force main construction, water line and standpipe restoration, and DPW facility construction.

Town of Billerica, Massachusetts

Notes to Financial Statements

June 30, 2024

NOTE 13 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2024, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2024.

NOTE 14 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2024, the following GASB pronouncement was implemented:

- GASB Statement #100, *Accounting Changes and Error Corrections*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.
- The GASB issued Statement #102, *Certain Risk Disclosures*, which is required to be implemented in 2025.
- The GASB issued Statement #103, *Financial Reporting Model Improvements*, which is required to be implemented in 2026.
- The GASB issued Statement #104, *Disclosure of Certain Capital Assets*, which is required to be implemented in 2026.

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

Required Supplementary Information

General Fund Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for the entire Town's financial resources, except those required to be accounted for in another fund.

Town of Billerica, Massachusetts

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Year Ended June 30, 2024

	Budgeted Amounts		Actual	Amounts	Variance
	Original	Final	Budgetary	Carried Forward	to Final
	Budget	Budget	Amounts	To Next Year	Budget
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 147,935,602	\$ 147,935,602	\$ 145,220,384	\$ -	\$ (2,715,218)
Tax liens.....	-	-	1,180,715	-	1,180,715
Motor vehicle excise taxes.....	7,150,000	7,150,000	7,533,240	-	383,240
Hotel/motel tax.....	500,000	500,000	1,058,049	-	558,049
Meals tax.....	500,000	500,000	652,869	-	152,869
Cannabis tax.....	300,000	300,000	399,015	-	99,015
Penalties and interest on taxes.....	400,000	400,000	315,792	-	(84,208)
Fees.....	2,500,000	2,500,000	2,895,783	-	395,783
Licenses and permits.....	1,200,000	1,200,000	2,040,812	-	840,812
Intergovernmental.....	28,040,049	28,040,049	28,129,617	-	89,568
Departmental and other.....	580,000	580,000	722,071	-	142,071
Investment income.....	245,000	245,000	1,832,731	-	1,587,731
TOTAL REVENUES.....	189,350,651	189,350,651	191,981,078	-	2,630,427
EXPENDITURES:					
Current:					
General government.....	8,599,128	8,969,278	7,679,158	967,653	322,467
Public safety.....	21,296,872	22,103,058	21,249,708	139,153	714,197
Education.....	86,945,447	87,577,650	87,266,964	310,686	-
Public works.....	9,358,220	9,564,220	9,606,078	42,759	(84,617)
Human services.....	1,313,759	1,347,259	1,293,896	29,637	23,726
Culture and recreation.....	3,200,493	3,251,493	3,179,352	6,297	65,844
Pension benefits.....	15,421,709	15,426,548	15,426,548	-	-
Employee benefits.....	21,833,640	21,775,640	21,741,167	-	34,473
Building insurance.....	1,527,460	1,652,460	1,647,835	-	4,625
State and county charges.....	5,870,204	5,870,204	5,937,991	-	(67,787)
Capital outlay.....	2,869,622	2,869,622	2,369,926	499,696	-
Debt service:					
Principal.....	3,574,000	3,574,000	3,574,000	-	-
Interest.....	3,910,577	3,893,338	3,892,644	-	694
TOTAL EXPENDITURES.....	185,721,131	187,874,770	184,865,267	1,995,881	1,013,622
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	3,629,520	1,475,881	7,115,811	(1,995,881)	3,644,049
OTHER FINANCING SOURCES (USES):					
Use of prior year reserves.....	695,850	695,850	-	-	(695,850)
Use of free cash.....	-	5,901,711	-	-	(5,901,711)
Use of overlay.....	-	250,000	-	-	(250,000)
Other amounts raised on recap.....	-	(800,046)	-	-	800,046
Operating subsidy to enterprise funds.....	(4,328,065)	(4,328,065)	(4,328,065)	-	-
Transfers in.....	92,695	2,444,669	2,444,669	-	-
Transfers out.....	(90,000)	(5,640,000)	(5,640,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	(3,629,520)	(1,475,881)	(7,523,396)	-	(6,047,515)
NET CHANGE IN FUND BALANCE.....	-	-	(407,585)	(1,995,881)	(2,403,466)
BUDGETARY FUND BALANCE, Beginning of year.....	13,800,592	13,800,592	13,800,592	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 13,800,592	\$ 13,800,592	\$ 13,393,007	\$ (1,995,881)	\$ (2,403,466)

See notes to required supplementary information.

Pension Plan Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers' Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

Town of Billerica, Massachusetts

Schedule of the Town's Proportionate Share of the Net Pension Liability

Middlesex County Retirement System

<u>Year</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2023.....	9.69%	\$ 163,804,814	\$ 41,992,311	390.08%	55.21%
December 31, 2022.....	9.63%	163,486,989	39,914,881	409.59%	52.61%
December 31, 2021.....	10.18%	136,488,741	38,284,144	356.52%	61.14%
December 31, 2020.....	9.94%	152,215,238	38,618,991	394.15%	53.42%
December 31, 2019.....	9.83%	157,213,941	37,001,063	424.89%	49.45%
December 31, 2018.....	9.67%	150,770,372	34,022,034	443.16%	46.40%
December 31, 2017.....	9.89%	140,303,356	32,623,751	430.07%	49.27%
December 31, 2016.....	10.14%	143,712,635	33,403,976	430.23%	45.49%
December 31, 2015.....	9.85%	127,076,615	31,382,222	404.93%	46.13%
December 31, 2014.....	9.98%	119,887,544	30,175,213	397.30%	46.13%

See notes to required supplementary information.

Town of Billerica, Massachusetts

Schedule of the Town's Contributions

Middlesex County Retirement System

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2024.....	\$ 15,421,709	\$ (15,421,709)	\$ -	\$ 42,412,234	36.36%
June 30, 2023.....	14,484,999	(14,484,999)	-	40,314,030	35.93%
June 30, 2022.....	13,584,397	(13,587,241)	(2,844)	38,666,985	35.14%
June 30, 2021.....	12,782,396	(12,782,396)	-	39,005,181	32.77%
June 30, 2020.....	11,921,516	(11,921,516)	-	37,371,074	31.90%
June 30, 2019.....	11,509,447	(11,555,045)	(45,598)	34,362,254	33.63%
June 30, 2018.....	10,782,712	(10,790,894)	(8,182)	33,276,226	32.43%
June 30, 2017.....	9,826,635	(9,826,635)	-	34,072,056	28.84%
June 30, 2016.....	9,204,554	(9,204,554)	-	32,009,866	28.76%
June 30, 2015.....	8,541,268	(8,541,268)	-	30,778,717	27.75%

See notes to required supplementary information.

Town of Billerica, Massachusetts

Schedule of the Special Funding Amounts of the Net Pension Liability

Massachusetts Teachers' Retirement System

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Year</u>	<u>Commonwealth's 100% Share of the Associated Net Pension Liability</u>	<u>Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2024.....	\$ 149,829,444	\$ 13,989,596	58.48%
2023.....	147,896,375	12,165,920	57.75%
2022.....	134,665,063	10,806,311	62.03%
2021.....	169,136,685	20,890,804	50.67%
2020.....	145,874,165	17,689,774	53.95%
2019.....	139,277,465	14,113,754	54.84%
2018.....	132,605,589	13,840,431	54.25%
2017.....	129,786,436	13,239,067	52.73%
2016.....	117,828,979	9,556,979	55.38%
2015.....	90,660,017	6,298,586	61.64%

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

Town of Billerica, Massachusetts

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Other Postemployment Benefit Plan

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Total OPEB Liability								
Service cost.....	\$ 4,467,069	\$ 4,668,087	\$ 4,649,371	\$ 4,788,852	\$ 5,443,792	\$ 4,783,437	\$ 5,218,888	\$ 5,495,570
Interest.....	15,457,336	16,268,614	18,236,207	19,109,455	18,440,835	17,270,439	17,755,669	14,878,489
Differences between expected and actual experience.....	-	(8,925,294)	-	-	(24,711,525)	-	(53,801,872)	-
Changes of assumptions.....	-	24,729,757	-	(4,005,861)	6,209,436	7,114,074	(2,362,151)	-
Benefit payments.....	(8,729,000)	(10,018,137)	(10,894,860)	(11,809,568)	(11,988,927)	(12,619,724)	(11,975,486)	(10,727,603)
Net change in total OPEB liability.....	11,195,405	26,723,027	11,990,718	8,082,878	(6,606,389)	16,548,226	(45,164,952)	9,646,456
Total OPEB liability - beginning.....	205,999,150	217,194,555	243,917,582	255,908,300	263,991,178	257,384,789	273,933,015	228,768,063
Total OPEB liability - ending (a).....	\$ 217,194,555	\$ 243,917,582	\$ 255,908,300	\$ 263,991,178	\$ 257,384,789	\$ 273,933,015	\$ 228,768,063	\$ 238,414,519
Plan fiduciary net position								
Employer contributions.....	\$ -	\$ 1,000,000	\$ 1,150,000	\$ 1,322,500	\$ 1,520,875	\$ 1,749,006	\$ 2,011,357	\$ 2,313,061
Employer contributions for OPEB payments.....	8,729,000	10,018,137	10,894,860	11,809,568	11,988,927	12,619,724	11,975,486	10,727,603
Net investment income/(loss).....	93,675	(55,878)	192,259	(71,329)	1,641,909	(618,418)	992,792	1,496,947
Benefit payments.....	(8,729,000)	(10,018,137)	(10,894,860)	(11,809,568)	(11,988,927)	(12,619,724)	(11,975,486)	(10,727,603)
Net change in plan fiduciary net position.....	93,675	944,122	1,342,259	1,251,171	3,162,784	1,130,588	3,004,149	3,810,008
Plan fiduciary net position - beginning of year.....	1,626,002	1,719,677	2,663,799	4,006,058	5,257,229	8,420,013	9,550,601	12,554,750
Plan fiduciary net position - end of year (b).....	\$ 1,719,677	\$ 2,663,799	\$ 4,006,058	\$ 5,257,229	\$ 8,420,013	\$ 9,550,601	\$ 12,554,750	\$ 16,364,758
Net OPEB liability - ending (a)-(b).....	\$ 215,474,878	\$ 241,253,783	\$ 251,902,242	\$ 258,733,949	\$ 248,964,776	\$ 264,382,414	\$ 216,213,313	\$ 222,049,761
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.79%	1.09%	1.57%	1.99%	3.27%	3.49%	5.49%	6.86%
Covered-employee payroll.....	\$ 77,488,000	\$ 72,727,000	\$ 84,915,000	\$ 83,515,882	\$ 94,564,473	\$ 93,910,290	\$ 106,192,950	\$ 109,378,738
Net OPEB liability as a percentage of covered-employee payroll.....	278.08%	331.73%	296.65%	309.80%	263.28%	281.53%	203.60%	203.01%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Town of Billerica, Massachusetts

Schedule of the Town's Contributions

Other Postemployment Benefit Plan

<u>Year</u>	<u>Statutorily determined contribution</u>	<u>Contributions in relation to the statutorily determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered employee-payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2024.....	\$ 10,727,603	\$ (13,040,664)	\$ (2,313,061)	\$ 109,378,738	11.92%
June 30, 2023.....	11,975,486	(13,986,843)	(2,011,357)	106,192,950	13.17%
June 30, 2022.....	12,619,724	(14,368,730)	(1,749,006)	93,910,290	15.30%
June 30, 2021.....	11,988,927	(13,509,802)	(1,520,875)	94,564,473	14.29%
June 30, 2020.....	11,809,568	(13,132,068)	(1,322,500)	83,515,882	15.72%
June 30, 2019.....	10,894,860	(12,044,860)	(1,150,000)	84,915,000	14.18%
June 30, 2018.....	10,018,137	(11,018,137)	(1,000,000)	72,727,000	15.15%
June 30, 2017.....	8,729,000	(8,729,000)	-	77,488,000	11.26%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Town of Billerica, Massachusetts

Schedule of Investment Returns

Other Postemployment Benefit Plan

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2024.....	11.92%
June 30, 2023.....	11.42%
June 30, 2022.....	-7.34%
June 30, 2021.....	29.00%
June 30, 2020.....	-1.48%
June 30, 2019.....	6.78%
June 30, 2018.....	-2.51%
June 30, 2017.....	6.15%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those
years for which information is available.

See notes to required supplementary information.

Town of Billerica, Massachusetts

Notes to Required Supplementary Information

June 30, 2024

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Municipal Law requires the Town to adopt a balanced budget that is approved by Town Meeting. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote. Increases or transfers between and within departments subsequent to the approval of the annual budget require majority Town Meeting approval via a special article.

The majority of the Town's appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by majority vote of the Town Meeting.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. The original 2024 approved budget authorized \$191.0 million in appropriations and other amounts to be raised, including \$696,000 of encumbrances carried forward from the prior year. During 2024 the Town authorized \$7.7 million of supplemental appropriations from free cash and transfers from stabilization.

The Town Accountant has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the Town's accounting system.

Appropriation Deficits

During 2024, actual expenditures exceeded appropriations for state and county charges and for public works expenditures due to snow and ice removal costs. In accordance with Massachusetts municipal finance laws, the state and county charges deficit is not required to be funded. The snow and ice deficit will be funded through the fiscal year 2025 tax rate.

Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2024, is presented on the following page.

Town of Billerica, Massachusetts

Notes to Required Supplementary Information

June 30, 2024

Net change in fund balance - budgetary basis.....	\$	(407,585)
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Perspective differences:

Activity of the stabilization fund recorded in the general fund for GAAP.....	682,183
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Basis of accounting differences:

Net change in recording tax refunds payable.....	(14,000)
Net change in recording 60 day receipts.....	194,143
Recognition of revenue for on-behalf payments.....	13,989,596
Recognition of expenditures for on-behalf payments.....	<u>(13,989,596)</u>

Net change in fund balance - GAAP basis.....	\$	<u>454,741</u>
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NOTE B – PENSION PLAN

Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of the Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation."

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

Town of Billerica, Massachusetts

Notes to Required Supplementary Information

June 30, 2024

Changes of Assumptions – None.

Changes in Plan Provisions – Effective December 31, 2023, pursuant to chapter 269 of the Acts of 2022, the Board approved a one-time increase in the COLA from 3% to 5% effective July 1, 2022.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“the Plan”). The plan provides lifetime healthcare for eligible retirees and their spouses through the Town’s health insurance plan, which covers both active and retired members. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered employee payroll.

Schedule of the Town’s Contributions

The Schedule of the Town’s Contributions includes the Town’s annual required contribution to the Plan, along with the contribution made in relation to the statutorily determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered employee payroll. Methods and assumptions used to determine contribution rates are as follows:

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan’s other postemployment assets, net of investment expense.

Changes of Assumptions – None

Changes in Plan Provisions – None.