



**Town of West Newbury**  
**Board of Selectmen**  
**Monday, April 22, 2019 @ 6pm**  
381 Main Street, Town Office Building  
[www.wnewbury.org](http://www.wnewbury.org)  
**AGENDA Amended–**

RECEIVED  
TOWN CLERK  
WEST NEWBURY, MA  
2019 APR 19 AM 11:31

**Executive Session:** 6pm in the Town Manager's Office

- ❖ MGL Chapter 30A §21(a) 2: To conduct strategy sessions in preparation for negotiations with nonunion personnel or to conduct collective bargaining sessions or contract negotiations with nonunion personnel (;
- ❖ MGL Ch. 30A §21(a) 3: To discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair so declares
- ❖ MGL Chapter 30A §21(a) 7: To comply with, or act under the authority of, any general or special law or federal grant-in-aid requirements .
- ❖ MGL Chapter 30A §21(a) 6 To consider the purchase, lease, exchange or value of real property.

**Open Session:** 7pm in the First Floor Hearing Room

**Announcements:**

- This meeting is being broadcast on local cable TV and recorded for rebroadcast on the local cable channels and on the internet.
- Historical Society Candidates Forum, Wednesday, April 24<sup>th</sup>, 7:30pm in First Floor Hearing Room
- Bicentennial Series of Nature Walks: April 27<sup>th</sup> and May 2<sup>nd</sup>: Riverbend Trail; April 25<sup>th</sup> and May 4<sup>th</sup> at Withers Conservation Area. All begin at 9:30am. Sign up required, at Open Space Committee website.
- Earth Day Roadside Cleanup, Saturday, April 27<sup>th</sup> and Sunday, April 28<sup>th</sup>, trash bags and gloves available at the Town Offices and Food Mart
- Spring Annual Town Meeting, Monday April 29<sup>th</sup>, 7pm at the Pentucket High School Auditorium
- Town Election, Monday May 6<sup>th</sup>, polls open 7:00 AM to 8:00 PM
- Memorial Day Parade, Monday, May 27<sup>th</sup> at 10:30am

**Regular Business**

- A. Presentation of FY18 Audit – *Tony Roselli, Roselli, Clark & Associates, CPAs*
- B. Appointment of Auditor and review of proposed contract for FY19-21 auditing services
- C. Appointment of Police Chief
- D. Appointment of Board of Fire Engineers
- E. Request for Street Opening Permits for 12 Dole Place, Tim Collins **70 Ash Street (added 4/19/19)**
- F. Review of proposed Municipal Vulnerability Preparedness (MVP) grant application and sign-off on application cover letter and letter of support (due May 3, 2019) – *Energy Advisory Committee*
- G. Cont. Board of Selectmen review and recommendations on proposed FY20 Budget and Articles, including Finance Committee booklet and draft Town Meeting Motions
- H. Annual performance review of Town Manager
- I. Execute amendment(s) to Town Manager employment contract

**Town Manager Updates**

- J. Update on MA School Building Authority approved reimbursement for Middle/High School project
- K. Update on Federal disaster fund reimbursements for expenses resulting from March 2018 storms
- L. Update on recent progress and anticipated timeline toward future review of proposed conceptual alternative designs and preliminary cost estimates for replacement of Middle Street Bridge
- M. Update on bid process for Brake's Hill Water Tank and Wellfield & Chemical Building
- N. Update on planning for Memorial Day Parade
- O. Follow up meeting assignments
- P. Placing items for future agendas

## **Memorial Day Monday, May 27, 2019**

We are preparing for a great Bicentennial - Memorial Day Parade this year on Monday, May 27<sup>th</sup> starting at 10:30am!

Veterans, near and far, we formally invite you to take part by either marching or riding in the wagon for the approximate 1-mile parade. We are planning for a great turnout this year but we need you to take part to make it meaningful.

If there are any organizations that would like to participate in the parade, we encourage it and ask that you contact Theresa Woodbury in the Council on Aging to coordinate the details.

Tractors, older cars/trucks or the like, please join us this year to let our Veterans know that we will never forget.

Lineup is at 10am and will end with a ceremony at the Town Hall, 491 Main Street, West Newbury.

The parade steps off from Elwell Square (intersection of Main/Maple Streets) at 10:30am proceeding down Main Street to the Town Hall.

We look forward to continuing the tradition of the Memorial Day Parade and Ceremony each year and with your participation will make it even more memorable.

Contact Theresa with any questions at 978-363-1100 ext.136 or [coa@wnewbury.org](mailto:coa@wnewbury.org).



# PENTUCKET REGIONAL SCHOOL DISTRICT

OFFICE OF THE SUPERINTENDENT  
22 MAIN STREET  
WEST NEWBURY, MASSACHUSETTS 01985-1897  
TEL: (978) 363-2280 / FAX: (978) 363-1165

GROVELAND  
MERRIMAC  
WEST NEWBURY

Justin Bartholomew, Ed.D.  
*Superintendent*

Brent Conway  
*Assistant Superintendent*

Greg A. Labrecque  
*Business Manager*

Michael A. Jarvis, Ed.D.  
*Director of Supplemental and Intensive Services*

April, 2019

Dear Pentucket Families,

Pentucket Regional School District values the linguistic diversity of our school community and appreciates the dedication and commitment involved in advanced language study. To recognize the assets of multilingualism and to promote sustained English language, native language, heritage language, and global language learning Pentucket Regional High School is proud to participate in the **MA State Seal of Biliteracy**- an award given to seniors who have attained a high level of proficiency in English and a foreign language beginning with the graduating class of 2019. According to the [Massachusetts Department of Education](#):

“Significantly, the State Seal of Biliteracy provides a means to recognize high school graduates who attain high functional and academic levels of proficiency in English and a foreign language, meaning that those students can function in those languages in authentic, real-life situations. The Seal of Biliteracy was signed into law on November 22, 2017 by Governor Baker as part of “An Act Relative to Language Opportunity for Our Kids,” [Chapter 138 of the Acts of 2017](#), commonly referred to as the LOOK Act. The regulations describe that the purposes of the State Seal of Biliteracy are to:

- Encourage students to study and master languages;
- Certify attainment of biliteracy skills;
- Recognize the value of language diversity;
- Provide employers with a method of identifying people with language and biliteracy skills;
- Provide universities with a method to recognize and give credit to applicants for the attainment of high-level skills in languages;
- Prepare students with skills that will benefit them in the labor market and the global society; and
- Strengthen intergroup communication and honor the multiple cultures and languages in a community.[1]”

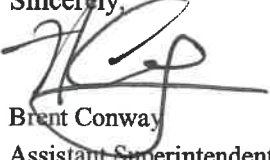
The chart below summarizes the awards and the criteria for the state award.

Pathway Award	Standardized Assessment Criteria for English and Partner Language
MA State Seal of Biliteracy With Distinction	Score of <i>Advanced</i> on the grade 10 ELA MCAS Score of <a href="#">Advanced - Low</a> in the lowest domain/mode of a proficiency test
MA State Seal of Biliteracy	Score of <i>Proficient</i> on the grade 10 ELA MCAS Score of <a href="#">Intermediate-High</a> in the lowest domain/mode of a proficiency test

Pentucket Regional High School seniors enrolled in an Advanced Global Language class in 2018-2019 will automatically take a proficiency test as part of their course. Pentucket Regional High School seniors NOT enrolled in a global language class and believe their language skills (speaking, listening, reading, and writing) meet the criteria of [Intermediate High](#) should meet with their counselor as soon as possible to

discuss next steps. If you (or your child) is not a senior yet, but believe this is a distinction you would like pursue in high school, you are encouraged to discuss this with your guidance counselor as soon as possible so you may plan for the appropriate classes and experiences to prepare you for the expectations.

Sincerely,



Brent Conway  
Assistant Superintendent  
Pentucket Regional School District



Linda Hackett  
Global Language Dept. Head  
Pentucket Regional School District

If you need this document translated, please call your child's school principal.

Si necesita este documento traducido, por favor comuníquese con la escuela de su hijo.

Se você precisa este documento traduzido, entre em contato com a escola do seu filho.

Si vous avez besoin de traduire ce document, s'il vous plaît contacter l'école de votre enfant.

如果你需要这份文件翻译，请联系您的孩子的学校。

إذا كنت تحتاج /تحتاجين إلى ترجمة هذه الوثيقة إلى اللغة العربية،  
يرجى الاتصال بمدرسة طفلك/طفلتك.

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[1] [603 CMR 31.01\(3\). \(Guidance and Laws - English Language Learners. \(2019\). Doe.mass.edu. Retrieved 15 January 2019, from http://www.doe.mass.edu/ell/guidance/default.html\)](http://www.doe.mass.edu/ell/guidance/default.html)

**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

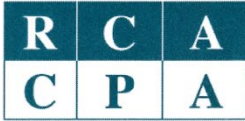
Management Letter

Year Ended June 30, 2018



*Table of Contents*

Transmittal letter.....1  
Overview.....2  
Findings and Comments.....3 - 7



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

500 West Cummings Park  
Suite 4900  
Woburn, MA 01801

Telephone: (781) 933-0073  
[www.roselliclark.com](http://www.roselliclark.com)

Board of Selectmen  
Town of West Newbury  
West Newbury, Massachusetts

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of West Newbury, Massachusetts, (the "Town") as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

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

This communication is intended solely for the information and use of management, the Board of Selectman, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Roselli Clark & Associates*

Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
January 27, 2019

## **OVERVIEW**

The Town continues to achieve positive financial and operating results; a trend that has been in place for at least ten years. Bolstered by a continued expanding local economy and conservative, diligent, management, the Town managed to increase or maintain reserves at every level despite (1) using \$1,122,000 from free cash, and (3) passing on over \$900,000 in tax savings to the Town's residents in the form of excess levy capacity.

Unassigned fund balance in the general fund has grown from about \$1.7 million in 2009 to \$4.1 million at the end of 2018. In addition, the Town's OPEB Trust fund grew to over \$2.0 million which is \$114,000 in excess of the OPEB liability; West Newbury is the only Town in Massachusetts that maintains an OPEB asset as opposed to a liability.

Fiscal year 2018 also marked the end of the prior form of government resulting from the Town Manager legislation approved by West Newbury voters at the October 23, 2017 Special Town Meeting and signed by the Governor on October 19, 2017 (Chapter 97 of the Acts of 2017). This change became effective with the appointment of a Town Manager whose tenure began at the start of fiscal 2019. In addition, a new Town Accountant was appointed in spring 2017. Concurrent with the start of the new Town Manager, the Assistant Treasurer became Treasurer, and the Finance Director position was eliminated. As a result, there will be numerous changes to governance and many growing pains as the Town settles into its new form of government. The Town should prepare for these challenges and be patient with the pains of this new growth. The ultimate goal at the conclusion of this phase is that a more efficient, effective and transparent government emerges.

Some of our recommendations are intended to assist the Town in making this transition. Recommendations that were not possible in the prior form of government that have been made possible by having a Town Manager are included in this report.



## **FINDINGS AND RECOMMENDATIONS**

### ***Town Manager Act***

As discussed in the prior section, during the fiscal year, the State approved legislation that allowed the Board of Selectmen to appoint a Town Manager.

In broad terms:

*“The Town Manager is appointed by the Selectmen to oversee the daily operations of the Town, advise and administer the policies and procedures of the Board of Selectmen, and enforce Town bylaws and actions passed by Town Meeting.*

*Serving as both Chief Administrative and Chief Financial Officer, the Town Manager is responsible for the effective management of Town departments, preparing an annual budget and capital plan, coordinating activities leading up to the annual Town Meeting, providing support to the committee system, working with other levels of government, and managing special projects for the Board of Selectmen.*

*The Town Manager is also responsible for the continual review of policies and programs in an effort to improve services.”*

This concept is new to the Town; previously, the Board of Selectmen have had to aggressively micromanage the Town due to the lack of such a position or similar position in the past.

The most senior level officer prior to the Town Manager Act was the Finance Director which was created in 1991. With the effective start of the Town Manager on July 2, 2018, the Finance Director’s position was dissolved.

As expected, the transition to this new form of government has been met with many growing pains. The Town is governed in a very desegregated manner. Six elected boards and committees exist in addition to twenty-four boards and committees that are appointed by the Board of Selectmen. The Town Manager has very little direct authority over the six elected boards and their areas of government. There is also confusion over what authority exists over the Town departments and the appointed boards and committees, many of which would lose direct authority to the Town Manager in a normal Town Manager setting.

The current policies, authorities, boards and commissions and their power made a great deal of sense under the old form of government. Some of these powers and authorities should be evaluated to see if they still make sense or if they should be revised.

Our recommendation for the Town is to engage one of a handful of companies in Massachusetts that specialize in municipal organizational hierarchy, flow and authority. Such an engagement could lead to bylaw, structural and statutory changes that are more suitable for a Town Manager form of government. This could also lead the Town to consider

adopting, for the first time, a Town Charter to more clearly define the form of Town government.

### ***Procurement***

Currently, the Town Clerk also holds the position of Town Counsel and Chief Procurement Officer. This is unique in Massachusetts to hold all three positions simultaneously. However, it's worked well for the Town for a number of years.

The Town currently does not have a backup or succession plan in the event this individual retires, resigns or vacates these posts for whatever reason, and these are three challenging shoes to fill.

In most smaller communities like West Newbury, the Chief Administrative branch normally oversees procurement. Now that the Town has transitioned to a Town Manager form of government, in our opinion, this is where procurement needs to transition to as part of a succession plan over the next few years.

That being said we recommend that the Town approve the process of the Town Manager earning the designation of *Massachusetts Certified Public Purchasing Official* over the next 24 months. This is a three-part three-day (nine total days) course given by the Inspector General.

In addition, we recommend that the Town Accountant take the general procurement course, which is one part three days, in order to familiarize herself with procurement. The Town Accountant is the last line of defense against an improper purchase and should be educated to determine what is proper.

### ***OPEB***

For the second consecutive year, delays in receiving the OPEB report caused delays and inefficiencies in completing the audit. As can be reviewed in our prior year management letter dated March 2018, we urged the Town to begin planning for OPEB disclosures immediately so the valuation would be complete at the time of the audit. Reminders were also sent between March 2018 and October 2018 but the OPEB valuation was not completed timely.

To make matters worse, when the OPEB report was finally received, it was incorrect as a discount rate of 4% was used instead of 7% which resulted in an apparent OPEB liability instead of an OPEB asset. This turned out to be the result of an error caused by miscommunication between the Town's financial advisor and its OPEB actuary. Once the error was brought to the Town Manager's attention the source of the error was identified, and a corrected report was provided.

Part of the issue is the confusion over who is responsible for overseeing OPEB in Town compounded by the revolving door at the Finance Director position. We have requested that the Town Accountant oversee this for future audits.

The Town has made OPEB a very important part of its strategic financial plan and has been very successful funding it. (As noted earlier it is the only fully funded plan in the State.) Better efforts should be put in place to assure OPEB valuations are completed timely.

### ***Cash Reconciliations/Bank Reconciliations***

The issues associated with cash/banks that were reported in the prior year management letter have been resolved. In addition, the Finance Office is doing a great job of maximizing investments. Interest rates began to increase last year due to actions by the Federal Open Market Committee and the Town has taken advantage of these. In the initial months of fiscal 2019 the Town Manager and Treasurer/Collector met with all its banking partners and negotiated higher interest rates. This will positively impact 2019 operating results.

### ***Payroll withholdings***

In two prior years we communicated to the Town that the health insurance withholding balances did not reconcile properly and that a significant deficit also existed. This amounted to approximately \$10,000 at the end of 2016 and \$20,000 at the end of 2017. This situation was unchanged during fiscal year 2018. These deficits are, for the most part, the result of the nonpayment of health insurance obligations by an individual who was on the health insurance rolls through December 2016.

We urge the Town to negotiate with this individual and make attempts to make the Town whole. We also strongly recommend the Town seek advice from outside special counsel. Many issues could evolve as a result of negotiations such as (1) has an unauthorized loan occurred, or (2) should any resolved negotiation be approved at Town Meeting.

In addition, while the Town was researching this issue it discovered that insurance deductions were over-withheld from eight employees amounting to about \$12,000 for all of fiscal 2018 and about half of fiscal 2019. We understand that these individuals have been made whole at this point.

Controls surrounding the entire withholding process need to be improved dramatically. Monthly reconciliations are a must have control. Mini internal audits should be completed on a sample basis at least quarterly to make sure proper withholdings are made by employee and the Town's monthly insurance bill reconciles back to the withholding amount on the general ledger.

### ***Escrow balances (continued from the prior year)***

The Town maintains escrow balances for planning deposits and contractor deposits. The balance in the Agency escrow account amounts to \$64,764 while the actual bank balance has a balance of \$68,606. Since a list was not provided it was not possible to determine which balance was accurate. We suggest the Town Accountant and Treasurer research this issue and determine which balance is proper and adjust the records or transfer the cash accordingly. This has been an ongoing issue for at least 6 years and may relate to interest on the bank side not recorded on the Town side.

### ***Fixed Assets***

Many years ago, the Town completed an inventory of all its capital assets in order to satisfy the reporting standards required under GASB 34. Since then, the Town has only included additions from year to year when it completes its annual update.

Since so many years have passed, it may make sense at this point to review its fixed asset listings and match it against actual physical fixed assets maintained by the Town's departments. Most likely, a number of fixed assets that have been disposed of are currently still being improperly included in the listings.

### ***Chart of Accounts (update)***

In prior years, we communicated to the Town the need to commit resources to redesigning the Town's chart of accounts in its general ledger.

We understand after some deliberation that the Town has decided to switch software vendors. This change will become effective July 1, 2019. We also understand that the Town will redesign its chart of accounts completely at this time. We agree with this concept as the redesign of a chart of accounts is an enormous endeavor and doing so as part of a software conversion is most efficient.

We also communicated in the past that there were some minor deficits and stale accounts in the special revenue funds. The Town should also take this opportunity to clean those balances up as part of this conversion.

### ***School Resource Officer***

The School Resource Officer's entire salary is paid by the Town, but only ½ the salary is budgeted. The remaining half is received as a check from the school district. The Town recorded this revenue as an offset to the expenditure line which is not proper under MGL. In fiscal year 2019 the original budget is also short as a result of this. We recommend the Town vote to increase the budget at the Spring STM and classify the revenue as other local receipts.

### ***Transfer***

Town Meeting approved a transfer of \$104,900 from the Dunn revolving account to supplement the debt operating budget during fiscal 2018. This transfer was not made to the accounting records during the year. This was discovered during our audit and thus the Town Accountant had yet to turn in the balance sheet to the State so this was corrected prior to submission, however a process should be put in place to assure all transfers are properly recorded.

### ***Financial Policies and Procedures/Bond Rating (update)***

In the prior year, the Town received a bond rating for the first time in a number of years. The Town fell just short of the top rating of AAA. One of the reasons it did not get to the top level was due to the lack of financial policies and procedures consistent with the S+P framework.

We understand that through partnership with the State, and the receipt of a Community Compact grant, that the Town engaged the Massachusetts Department of Revenue – Division of Local Services to draft new financial policies and procedures. We understand that five of the recommended policies have been adopted, with active review by affected Boards and Department Heads currently underway. The Board of Selectmen fiscal year 2020 budget policy direction adopted in December 2018 calls for completion of work on the Community Compact policies by the end of fiscal 2019.

As the Town wades through this transition in governance, and cross references these drafted policies to determine if they meet their intended expectations, it should establish as a priority the authorization of a complete set of policies in the near future.

### ***Unauthorized Purchases***

It was brought to our attention that the possibility of unauthorized purchases were made by the Police Department at the end of fiscal years 2016 and 2017. These situations appear to involve the request for a payment to be made to a vendor in an effort to create a credit with the vendor that would be used for future purchases.

The Town is immediately investigating this further, and has suspended, at least temporarily, purchases from the vendor pending the outcome of further Town review.

As discussed under procurement, if the Town chooses to transition its purchasing function as we recommended, the Town should begin to also review its internal purchasing policies such as implementing a requirement for purchase orders prior to a purchase over a certain amount and the need to submit to central purchasing, verbal quotes for those purchases under the required written quote guidelines.

It would have been difficult to detect the alleged unauthorized purchases in these particular situations however, stronger policies will make controls much more effective in this critical area of Town government.

**ROSELLI, CLARK & ASSOCIATES**  
Certified Public Accountants

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

Report on Examination of the Basic Financial Statements and  
Additional Information

Year Ended June 30, 2018



**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**TABLE OF CONTENTS**  
**YEAR ENDED JUNE 30, 2018**

---

	<u>Page</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1-2
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS</u>	3-9
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government-Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet Total Fund	
Balances to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Position – Proprietary Funds	16
Statement of Revenues, Expenses, and Changes in Net	
Position – Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18
Statement of Fiduciary Net Position – Fiduciary Funds	19
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	20
Notes to Basic Financial Statements	21-46
<u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Schedule of the Town's Proportionate Share of Net Pension Liability	47
Schedule of the Town's Contributions to Pension Plan	47
Schedule of Changes in Net OPEB Liability and Related Ratios	48
Schedule of OPEB Contributions	49
Schedule of Investment Returns – OPEB Plan	49
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – General Fund	50
Notes to Required Supplementary Information	51
<u>OTHER REPORTS:</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other	
Matters Based on an Audit of Financial Statements Performed in	
Accordance with <i>Government Auditing Standards</i>	52-53



## **INDEPENDENT AUDITORS' REPORT**

The Honorable Members of the Board of Selectmen  
Town of West Newbury, Massachusetts

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of West Newbury, Massachusetts, (the Town) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

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, 2018, and the respective



changes in financial position and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Restatement of Prior Year Ending Balances**

As more fully described in Note IV, a restatement of prior year ending net position balances was made to the Town's governmental activities, business-type activities and each Enterprise Fund. Our opinion was not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2019 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Roselli Clark & Associates*

Roselli, Clark and Associates  
Certified Public Accountants  
Woburn, Massachusetts  
January 27, 2019

## Management's Discussion and Analysis

As the management of the Town, we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018.

### Financial Highlights

- The assets and deferred outflows of financial resources of the Town exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by nearly \$29.0 million (*total net position*). Over \$25.7 million represented net position of governmental activities and over \$3.2 million represented net position of the business-type activities.
- The government's total net position increased by nearly \$0.8 million. This was due to an increase of over \$0.7 million in governmental activities that was primarily the result of favorable operating results due to the continued expansion in the economy. Business-type activities net position increased almost \$0.1 million and met expectations.
- The Town's Unassigned Fund Balance reported in the General Fund was approximately \$4.1 million (28.4% of General Fund expenditures). Total Fund Balance in the General Fund was approximately \$4.8 million (33.2% of General Fund expenditures). Furthermore, reported fund balances in the Town's Community Preservation Fund, Library Trust Fund and the Combined Nonmajor Governmental Funds were approximately \$2.6 million, \$0.9 million and \$0.7 million, respectively.
- The Town's total long-term debt increased by approximately \$1.2 million; the increase related to \$1.7 million of bonds issued in the water enterprise fund, offset by regularly scheduled maturities in business-type and governmental funds.

### Overview of the Financial Statements

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

**Government-wide Financial Statements** - The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, 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 of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, highways and streets, sanitation, education, community development, health and human services, culture and

recreation, fringe benefits, and debt service. The business-type activities of the Town consist completely of the Town's water 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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided in the basic financial statements to help the reader understand the differences, as indicated within the table of contents.

The Town maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, community preservation fund, and library trust fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule has been prepared as required supplementary information and can be found along with the corresponding notes in this report.

**Proprietary Funds** – The Town maintains only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements provide separate information for the water enterprise fund.

**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town includes the activities of its Other Postemployment Trust Benefits Trust fund and poor and scholarship funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town’s proportionate share of the net pension liability, contributions to pension plan, and the Town’s progress in funding its obligation to provide other postemployment benefits to its employees as well as the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town, the assets and deferred outflows of financial resources of the Town exceeded liabilities and deferred inflows of financial resources by approximately \$29.0 million at the close of the most recent fiscal year.

The condensed statement of net position is as follows:

	<b>Governmental activities</b>		<b>Business activities</b>		<b>Total</b>	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
<b><u>Assets</u></b>						
Current and other assets	\$ 9,851,378	\$ 9,357,921	\$ 2,914,758	\$ 1,207,112	\$ 12,766,136	\$ 10,565,033
Capital assets, net	24,642,410	24,823,959	2,633,977	2,653,242	27,276,387	27,477,201
<b>Total assets</b>	<b>34,493,788</b>	<b>34,181,880</b>	<b>5,548,735</b>	<b>3,860,354</b>	<b>40,042,523</b>	<b>38,042,234</b>
<b><u>Deferred Outflows of Resources</u></b>	<b>607,376</b>	<b>676,875</b>	<b>51,548</b>	<b>57,447</b>	<b>658,924</b>	<b>734,322</b>
<b><u>Liabilities</u></b>						
Long term liabilities	8,350,075	9,227,343	2,290,989	635,845	10,641,064	9,863,188
Other liabilities	323,036	228,422	-	12,340	323,036	240,762
<b>Total liabilities</b>	<b>8,673,111</b>	<b>9,455,765</b>	<b>2,290,989</b>	<b>648,185</b>	<b>10,964,100</b>	<b>10,103,950</b>
<b><u>Deferred Inflows of Resources</u></b>	<b>712,465</b>	<b>289,999</b>	<b>61,873</b>	<b>24,612</b>	<b>774,338</b>	<b>314,611</b>
<b><u>Net Position</u></b>						
Net investment in capital assets	22,827,411	22,538,960	885,861	2,593,097	23,713,272	25,132,057
Restricted	4,244,121	4,504,285	-	-	4,244,121	4,504,285
Unrestricted	(1,355,944)	(1,930,254)	2,361,560	651,907	1,005,616	(1,278,347)
<b>Net Position</b>	<b>\$ 25,715,588</b>	<b>\$ 25,112,991</b>	<b>\$ 3,247,421</b>	<b>\$ 3,245,004</b>	<b>\$ 28,963,009</b>	<b>\$ 28,357,995</b>

By far the largest portion of the Town’s net position reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets

are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. *Unrestricted net position* reflects the remainder of net position; a balance of approximately \$1.0 million. This consisted of Governmental Activities unrestricted net position which is in a deficit position of nearly \$1.4 million offset by nearly \$2.4 unrestricted net position in the business-type activities. This is due primarily from the recognition of almost \$6.8 million of net pension liabilities recorded in accordance with GASB 68.

Condensed changes in net position data is presented as follows:

	<u>Governmental activities</u>		<u>Business activities</u>		<u>Total</u>	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b><u>Revenues</u></b>						
Program revenues:						
Charges for services	\$ 578,168	\$ 555,354	\$ 801,183	\$ 708,444	\$ 1,379,351	\$ 1,263,798
Operating grants and	83,667	91,783	-	-	83,667	91,783
Capital grants and contributions	304,686	332,898	3,090	20,000	307,776	352,898
General revenues:						
Property taxes	13,334,033	13,066,188	-	-	13,334,033	13,066,188
Intergovernmental	459,136	331,847	-	-	459,136	331,847
Other	856,666	851,511	15,980	4,830	872,646	856,341
Total revenues	<u>15,616,356</u>	<u>15,229,581</u>	<u>820,253</u>	<u>733,274</u>	<u>16,436,609</u>	<u>15,962,855</u>
<b><u>Expenses</u></b>						
General government	1,600,552	1,365,126	-	-	1,600,552	1,365,126
Public safety	2,582,926	2,597,432	-	-	2,582,926	2,597,432
Education	7,771,599	8,008,452	-	-	7,771,599	8,008,452
Public works	1,679,252	1,754,337	-	-	1,679,252	1,754,337
Health and human services	613,288	575,616	-	-	613,288	575,616
Culture and recreation	579,864	590,113	-	-	579,864	590,113
Debt service	41,000	62,300	-	-	41,000	62,300
Water	-	-	758,585	744,835	758,585	744,835
Total expenses	<u>14,868,481</u>	<u>14,953,376</u>	<u>758,585</u>	<u>744,835</u>	<u>15,627,066</u>	<u>15,698,211</u>
Change in net position	747,875	276,205	61,668	(11,561)	809,543	264,644
Net position, beginning of year	25,112,991	24,836,786	3,245,004	3,256,565	28,357,995	28,093,351
Restatement for net OPEB liability	<u>(145,278)</u>	<u>-</u>	<u>(59,251)</u>	<u>-</u>	<u>(204,529)</u>	<u>-</u>
Net position, beginning of year as restated	<u>24,967,713</u>	<u>24,836,786</u>	<u>3,185,753</u>	<u>3,256,565</u>	<u>28,153,466</u>	<u>28,093,351</u>
Net position, end of year	<u>\$ 25,715,588</u>	<u>\$ 25,112,991</u>	<u>\$ 3,247,421</u>	<u>\$ 3,245,004</u>	<u>\$ 28,963,009</u>	<u>\$ 28,357,995</u>

**Governmental Activities** - The Town relies significantly on property taxes, which, during 2018, made up approximately 85.4% of total governmental activities revenues, an increase of \$0.3 million over the prior year. In Massachusetts, Town's cannot increase property taxes more than 2.5% of the prior year commitment, plus new growth and voted operating and debt exclusions; so, this increase met the statutory amount expected during 2018. All other revenue amounts were either consistent with the prior year or not material in amount.

Major expenses were for education which continues to be an area that the Town devotes significant resources. Education represented 52.3% of total expenses; this was consistent with the prior year amount of 53.6%. All other functional expense categories were up slightly or flat with the prior year primarily due to a modest increase in benefits that were allocated to each function.

**Business-type Activities** - Major revenue sources consist of revenue from water user charges which represented approximately 100% of total revenues. Water expenses represented 100% of total business-type expenses. Revenues and expenses were consistent with the prior year.

### **Financial Analysis of the Governmental Funds**

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

**Governmental Funds** - The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance in the general fund was approximately \$4.1 million, while total fund balance reached approximately \$4.8 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 balance represented approximately 28.4% of total general fund expenditures, while total fund balance represented approximately 33.2% of that same amount.

The Town's governmental funds balance sheet reported a combined ending fund balance surplus of approximately \$9.1 million. In addition to the \$4.8 million in the general fund previously discussed, there were also restricted fund balances in the Community Preservation Fund and Library Trust Fund of approximately \$2.6 million and \$0.9 million, respectively. The fund balance of the combined Nonmajor funds was approximately \$0.7 million, most of which is restricted.

The General Fund balance increased by about \$0.2 million due to continued robust operations benefitting from the continued economic expansion.

The Community Preservation Fund balance increased by \$0.4 million over the prior year; this was primarily due to less voted projects as compared to lower State matched revenue.

The Library Trust Fund met the criteria for presentation as a major fund in the current year. The fund's restricted fund balance was consistent with the prior year balance as activity was minimal.

The combined Nonmajor funds declined by about \$0.1 million; this was mainly due to timing of revenues and expenditures as these funds are intended to net over time.

**Proprietary Funds** - The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the year, net position of the water fund was approximately \$3.2 million, which was relatively unchanged from the prior year.

**Fiduciary funds** - The Town's fiduciary funds include nearly \$2.1 million for a trust established to account for the Town's other postemployment benefit activities. The Town is fully funded with respect to

its net OPEB liability. In addition, the Town maintains over \$0.3 million in various private purpose activities that are also accounted for within its fiduciary funds

### **General Fund Budgetary Highlights**

Major differences in the final amended budget to the original budget mainly consisted of Public Safety articles of approximately \$0.2 million that were passed in the spring Annual Town Meeting for vehicles and road repair and improvement work.

Other function differences between the original budget and the final amended budget were insignificant. A budget to actual schedule for the general fund has been provided as required supplementary information.

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

**Capital Assets** - The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounts to approximately \$27.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment and reflects a small increase from prior year, as additions approximated depreciation.

Major capital asset additions for 2018 in the Town's governmental activities include approximately \$0.3 of infrastructure and \$0.3 million in machinery and equipment.

Additional information on the Town capital assets can be found in Note II, subsection D.

**Long-term Debt** - At the end of the current fiscal year, the Town had total debt outstanding of nearly \$3.7 million; this includes over \$1.9 million in governmental activities and over \$1.7 million in business-type activities. This represented an increase of \$1.2 million over the prior year due to a bond issuance of \$1.7 million in the business-type activities less regularly scheduled maturities.

The Town was assigned a AA+ bond rating from Standard and Poor; the second highest rating the agency sets; exceeded only by AAA.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5.0% percent of its total equalized valuation. The current debt limitation for the Town is approximately \$47.3 million, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's debt can be found Note II, Section E, F and G of this report.

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

- The Town's unemployment rate remains stable; this is consistent with State and national trends.
- The Town's real estate tax base is made up of approximately 97.3% residential real estate tax. Its commercial, industrial and personal property taxes make up the remainder of the tax base at 2.7%. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the Town's ability to increase taxes in any one year by more than two and one-half percent (2 ½%) of the previous year tax levy.
- The Town's housing market is robust and continues to rank at the top of the State averages.
- The Town set its tax rate for fiscal year 2019 on November 14, 2018.

The above items were considered when the Town developed its budget for fiscal year 2019 which was authorized by Annual Town Meeting in April 2018.

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Town Manager, Town Hall, 381 Main Street, West Newbury, Massachusetts, 01985.



**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**STATEMENT OF NET POSITION  
JUNE 30, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 6,616,793	\$ 2,632,400	\$ 9,249,193
Investments	2,743,753	-	2,743,753
Receivables, net of allowance for uncollectibles:			
Property taxes	109,646	-	109,646
Departmental and other	221,500	-	221,500
Intergovernmental	44,774	-	44,774
User charges	-	265,385	265,385
Net other postemployment benefit asset	114,912	16,973	131,885
Capital assets, not being depreciated	9,453,482	472,162	9,925,644
Capital assets, net of accumulated depreciation	15,188,928	2,161,815	17,350,743
<b>Total Assets</b>	<b>34,493,788</b>	<b>5,548,735</b>	<b>40,042,523</b>
<b>Deferred Outflows of Resources</b>			
Related to net pension liability	607,376	51,548	658,924
<b>Total Deferred Outflows of Resources</b>	<b>607,376</b>	<b>51,548</b>	<b>658,924</b>
<b>Liabilities</b>			
Warrants and accounts payable	288,234	-	288,234
Accrued payroll and withholdings	251	-	251
Other liabilities	34,551	-	34,551
Noncurrent liabilities:			
Due within one year	476,791	45,027	521,818
Due in more than one year	7,873,284	2,245,962	10,119,246
<b>Total Liabilities</b>	<b>8,673,111</b>	<b>2,290,989</b>	<b>10,964,100</b>
<b>Deferred Inflows of Resources</b>			
Related to net other postemployment benefit liability	57,564	6,291	63,855
Related to net pension liability	654,901	55,582	710,483
<b>Total Deferred Inflows of Resources</b>	<b>712,465</b>	<b>61,873</b>	<b>774,338</b>
<b>Net Position</b>			
Net investment in capital assets	22,827,411	885,861	23,713,272
Restricted:			
Nonexpendable permanent funds	7,500	-	7,500
Community preservation	2,561,380	-	2,561,380
Other purposes	1,675,241	-	1,675,241
Unrestricted	(1,355,944)	2,361,560	1,005,616
<b>Total Net Position</b>	<b>\$ 25,715,588</b>	<b>\$ 3,247,421</b>	<b>\$ 28,963,009</b>

See accompanying notes to basic financial statements.

TOWN OF WEST NEWBURY, MASSACHUSETTS

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
<b>Governmental Activities:</b>							
General government	\$ 1,600,552	\$ 329,907	\$ 772	\$ 118,749	\$ (1,151,124)		\$ (1,151,124)
Public safety	2,582,926	196,276	36,337	-	(2,350,313)		(2,350,313)
Education	7,771,599	-	-	-	(7,771,599)		(7,771,599)
Public works	1,679,252	-	-	185,937	(1,493,315)		(1,493,315)
Health and human services	613,288	(524)	8,299	-	(605,513)		(605,513)
Culture and recreation	579,864	52,509	38,259	-	(489,096)		(489,096)
Interest	41,000	-	-	-	(41,000)		(41,000)
Total Governmental Activities	14,868,481	578,168	83,667	304,686	(13,901,960)		(13,901,960)
<b>Business-Type Activities:</b>							
Water	758,585	801,183	-	3,090	-	\$ 45,688	45,688
Total Primary Government	\$ 15,627,066	\$ 1,379,351	\$ 83,667	\$ 307,776	(13,901,960)	45,688	(13,856,272)
<b>General Revenues:</b>							
Property taxes					13,334,033	-	13,334,033
Motor vehicle and other excise					776,894	-	776,894
Penalties and interest on taxes					46,203	-	46,203
Grants and contributions not restricted to specific purposes					459,136	-	459,136
Unrestricted investment income					33,569	15,980	49,549
Total general revenues and transfers					14,649,835	15,980	14,665,815
Change in Net Position					747,875	61,668	809,543
<b>Net Position:</b>							
Beginning of year, as restated					24,967,713	3,185,753	28,153,466
End of year					\$ 25,715,588	\$ 3,247,421	\$ 28,963,009

See accompanying notes to basic financial statements.

TOWN OF WEST NEWBURY, MASSACHUSETTS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	General	Community Preservation	Library Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 3,335,576	\$ 2,558,809	\$ -	\$ 722,409	\$ 6,616,794
Investments	1,794,929	-	948,824	-	2,743,753
Receivables, net of allowance for uncollectibles					
Property taxes	107,075	2,571	-	-	109,646
Departmental and other	183,516	-	-	37,984	221,500
Intergovernmental	-	-	-	44,774	44,774
<b>Total Assets</b>	<u>5,421,096</u>	<u>2,561,380</u>	<u>948,824</u>	<u>805,167</u>	<u>9,736,467</u>
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 5,421,096</u>	<u>\$ 2,561,380</u>	<u>\$ 948,824</u>	<u>\$ 805,167</u>	<u>\$ 9,736,467</u>
<b>Liabilities:</b>					
Warrants and accounts payable	\$ 288,234	\$ -	\$ -	\$ -	\$ 288,234
Accrued payroll and withholdings	251	-	-	-	251
Other liabilities	1,285	-	-	33,266	34,551
<b>Total Liabilities</b>	<u>289,770</u>	<u>-</u>	<u>-</u>	<u>33,266</u>	<u>323,036</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues - property taxes	107,075	2,571	-	-	109,646
Unavailable revenues - other	183,516	-	-	37,984	221,500
<b>Total Deferred Inflows of Resources</b>	<u>290,591</u>	<u>2,571</u>	<u>-</u>	<u>37,984</u>	<u>331,146</u>
<b>Fund Balances:</b>					
Nonspendable	-	-	7,500	-	7,500
Restricted	60,176	2,558,809	941,324	749,086	4,309,395
Committed	639,852	-	-	-	639,852
Assigned	1,127	-	-	-	1,127
Unassigned	4,139,580	-	-	(15,169)	4,124,411
<b>Total Fund Balances</b>	<u>4,840,735</u>	<u>2,558,809</u>	<u>948,824</u>	<u>733,917</u>	<u>9,082,285</u>
<b>Total Liabilities, Deferred Inflows of Resources,         and Fund Balances</b>	<u>\$ 5,421,096</u>	<u>\$ 2,561,380</u>	<u>\$ 948,824</u>	<u>\$ 805,167</u>	<u>\$ 9,736,467</u>

See accompanying notes to basic financial statements.

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018**

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<b>Total Governmental Fund Balances</b>	<b>\$ 9,082,285</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,642,410
The Town has a net asset related to other postemployment benefits. This long-term asset is not reported in the fund financial statements	114,912
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	331,146
Deferred outflows and inflows of resources to be recognized in future pension and OPEB expense are not available resources and, therefore, are not reported in the funds:	
Deferred outflows related to net pension liability	607,376
Deferred inflows related to net pension liability	(654,901)
Deferred inflows related to net other postemployment benefits liability	(57,564)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the government funds:	
Bonds and notes payable	(1,920,250)
Net pension liability	(6,325,831)
Compensated absences	(103,994)
	<hr/>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 25,715,589</u></u></b>

See accompanying notes to basic financial statements.

TOWN OF WEST NEWBURY, MASSACHUSETTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

	General	Community Preservation	Library Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ 13,039,154	\$ 307,466	\$ -	\$ -	\$ 13,346,620
Intergovernmental	365,877	102,706	-	402,332	870,915
Excise taxes	776,894	-	-	-	776,894
License and permits	156,494	-	-	-	156,494
Departmental and other revenue	264,434	299	-	119,330	384,063
Penalties and interest on taxes	46,203	-	-	-	46,203
Fines and forfeitures	17,278	-	-	-	17,278
Investment income	37,845	12,512	(16,638)	(150)	33,569
Contributions and donations	-	-	-	9,840	9,840
<b>Total Revenues</b>	<u>14,704,179</u>	<u>422,983</u>	<u>(16,638)</u>	<u>531,352</u>	<u>15,641,876</u>
<b>Expenditures:</b>					
Current:					
General government	1,051,906	33,411	-	194,472	1,279,789
Public safety	1,977,035	-	-	34,684	2,011,719
Education	7,759,992	-	-	-	7,759,992
Public works	1,267,816	-	-	216,492	1,484,308
Health and human services	570,104	-	-	12,365	582,469
Culture and recreation	359,826	22,380	-	64,084	446,290
Community preservation	-	-	-	-	-
Pension and other fringe benefits	978,128	-	-	-	978,128
State and county tax assessments	91,460	-	-	-	91,460
Debt service:					
Principal	470,000	-	-	21,192	491,192
Interest	41,000	-	-	-	41,000
<b>Total Expenditures</b>	<u>14,567,267</u>	<u>55,791</u>	<u>-</u>	<u>543,289</u>	<u>15,166,347</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	136,912	367,192	(16,638)	(11,937)	475,529
<b>Other Financing Sources (Uses):</b>					
Transfers in	104,900	-	-	18,126	123,026
Transfers out	(18,126)	-	-	(104,900)	(123,026)
<b>Total Other Financing Sources (Uses)</b>	<u>86,774</u>	<u>-</u>	<u>-</u>	<u>(86,774)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	223,686	367,192	(16,638)	(98,711)	475,529
Fund Balances - Beginning	4,617,049	2,191,617	965,462	832,628	8,606,756
Fund Balances - Ending	<u>\$ 4,840,735</u>	<u>\$ 2,558,809</u>	<u>\$ 948,824</u>	<u>\$ 733,917</u>	<u>\$ 9,082,285</u>

See accompanying notes to basic financial statements.

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

		Total
<b>Net Change in Fund Balances - Total Governmental Fund Balances</b>	<b>\$</b>	<b>475,529</b>
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The net amounts are reflected here as reconciling items:</p>		
Capital outlays	\$	644,321
Depreciation expense		(825,870)
Net effect of reporting capital assets		(181,549)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on Net Position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas these amounts are amortized in the Statement of Activities. The net amount presented here as a reconciling item represents the following differences:</p>		
Issuance of general obligation debt		-
Repayments of debt		491,192
Net effect of reporting long-term debt		491,192
<p>Revenues in the Statement of Activities that do not provide current financial are reported as unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue of various types of accounts receivable differ between the two statements. The amount presented represents the difference in unavailable revenue.</p>		
		(25,520)
<p>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:</p>		
Compensated absences		7,217
Other postemployment benefits		36,549
Pension benefits		(55,543)
Net effect of reporting long-term liabilities		(11,777)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>747,875</b>

See accompanying notes to basic financial statements.

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

**JUNE 30, 2018**

	Business-type Activities Enterprise fund
	Water
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 2,632,400
User fees receivable	265,385
Total current assets	2,897,785
Noncurrent assets:	
Net other postemployment benefit asset	16,973
Capital assets, not being depreciated	472,162
Capital assets, net of accumulated depreciation	2,161,815
Total noncurrent assets	2,650,950
<b>Total Assets</b>	<b>5,548,735</b>
<b>Deferred Outflows of Resources</b>	
Related to net pension liability	51,548
<b>Total Deferred Outflows of Resources</b>	<b>51,548</b>
<b>Liabilities:</b>	
Current liabilities:	
Warrants and accounts payable	-
Accrued payroll and withholdings	-
Bonds and notes payable	42,029
Compensated absences	2,998
Total current liabilities	45,027
Noncurrent liabilities:	
Bonds and notes payable	1,706,087
Compensated absences	2,998
Net pension liability	536,877
Total noncurrent liabilities	2,245,962
<b>Total Liabilities</b>	<b>2,290,989</b>
<b>Deferred Inflows of Resources</b>	
Related to net other postemployment benefit liability	6,291
Related to net pension liability	55,582
<b>Total Deferred Inflows of Resources</b>	<b>61,873</b>
<b>Net Position:</b>	
Net investment in capital assets	885,861
Unrestricted	2,361,560
<b>Total Net Position</b>	<b>\$ 3,247,421</b>

See accompanying notes to basic financial statements.

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

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

**PROPRIETARY FUNDS**

**YEAR ENDED JUNE 30, 2018**

	Business-type Activities Enterprise Fund
	Water
<b>Operating Revenues:</b>	
Charges for services	\$ 720,384
Other	80,799
<b>Total Operating Revenues</b>	<b>801,183</b>
<b>Operating Expenses:</b>	
Operating costs	631,951
Depreciation	95,765
<b>Total Operating Expenses</b>	<b>727,716</b>
<b>Operating Income (Loss)</b>	<b>73,467</b>
<b>Nonoperating Revenues (Expenses):</b>	
Investment income	15,980
Investment expense	(30,869)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(14,889)</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>58,578</b>
<b>Capital Contributions:</b>	
System development fees	3,090
<b>Change in Net Position</b>	<b>61,668</b>
Total Net Position - Beginning	3,185,753
Total Net Position - Ending	<b>\$ 3,247,421</b>

See accompanying notes to basic financial statements.



**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**STATEMENT OF CASH FLOW  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2018**

	Business-type Activities Enterprise Fund
	Water
<b>Cash Flows From Operating Activities:</b>	
Receipts from users	\$ 794,650
Payments to employees	(182,239)
Payments to vendors	(413,163)
	<u>199,248</u>
<b>Net Cash Provided by Operating Activities</b>	
 <b>Cash Flows from Capital and Related Financing Activities</b>	
System development fees	3,090
Acquisition and construction of capital assets	(76,500)
Issuance of bonds and notes	1,700,000
Principal payments on bonds and notes	(12,029)
Interest expense	(30,869)
	<u>1,583,692</u>
<b>Net Cash Provided by Capital and Related Financing Activities</b>	
 <b>Cash flows from Investing Activities</b>	
Investment income	15,980
	<u>15,980</u>
<b>Net Cash Provided by Investing Activities</b>	
 <b>Net Change in Cash and Cash Equivalents</b>	
	1,798,920
 <b>Cash and Cash Equivalents:</b>	
Beginning of year	833,480
	<u>833,480</u>
End of year	<b>\$ 2,632,400</b>
	<u><u>2,632,400</u></u>
 <b>Reconciliation of Operating Income to Net Cash Provided</b>	
<b>By (Used for) Operating Activities:</b>	
Operating loss	\$ 73,467
Depreciation expense	95,765
Changes in assets, deferred inflows, and liabilities:	
Receivables (net)	(12,432)
Deferred outflows of resources	5,899
Net other postemployment benefit asset	44,455
Payables	(13,013)
Deferred inflows of resources	37,261
Net pension liability	(32,154)
	<u>(32,154)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	
	<b>\$ 199,248</b>
	<u><u>199,248</u></u>

See accompanying notes to basic financial statements.

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2018**

	Other Postemployment Benefits Trust	Private Purpose Trust Funds	Agency Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 263,468	\$ 223,411	\$ 60,995
Mutual funds	43,573	-	-
Equities	1,173,637	-	-
Fixed Income	425,495	-	-
Government securities	98,722	-	-
Other	64,554	-	-
Receivables	-	112,679	-
	<u>2,069,449</u>	<u>336,090</u>	<u>60,995</u>
<b>Total Assets</b>			
<b>Liabilities:</b>			
Other liabilities	-	-	60,995
	<u>-</u>	<u>-</u>	<u>60,995</u>
<b>Total Liabilities</b>			
<b>Net Position:</b>			
Held in trust for other postemployment benefits	2,069,449	-	-
Held in trust for other purposes	-	336,090	-
	<u>-</u>	<u>336,090</u>	<u>-</u>
<b>Total Net Position</b>			
	<u><u>\$ 2,069,449</u></u>	<u><u>\$ 336,090</u></u>	<u><u>\$ -</u></u>

See accompanying notes to basic financial statements.

**TOWN OF WEST NEWBURY, MASSACHUSETTS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**YEAR ENDED JUNE 30, 2018**

	Other Postemployment Benefits Trust	Private Purpose Trust Funds
<b>Additions:</b>		
Contributions:		
Employer	\$ 85,824	\$ -
Departmental and other	-	19,450
Total contributions	<u>85,824</u>	<u>19,450</u>
Investment income:		
Interest and dividends	<u>209,981</u>	<u>(449)</u>
<b>Total Additions</b>	<u>295,805</u>	<u>19,001</u>
<b>Deductions:</b>		
Benefits paid	85,824	-
Health and human services	<u>-</u>	<u>900</u>
<b>Total Deductions</b>	<u>85,824</u>	<u>900</u>
<b>Change in Net Position</b>	209,981	18,101
Net Position - Beginning	<u>1,859,468</u>	<u>317,989</u>
Net Position - Ending	<u><b>\$ 2,069,449</b></u>	<u><b>\$ 336,090</b></u>

See accompanying notes to basic financial statements.

# TOWN OF WEST NEWBURY, MASSACHUSETTS

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

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

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

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

The Town of West Newbury is located in Essex County and was incorporated as a town in 1819. An elected three-member Board of Selectmen governs the Town with an appointed Town Manager that enforces the policies of the Selectmen. Each Board of Selectmen member serves three-year terms. The Town provides governmental services for the territory within its boundaries, including police and fire protection, highway services, water, trash collection, street maintenance, parks and recreational facilities. Water services are funded almost entirely with user charges.

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

The Town is a member community of the Pentucket Regional School District that provides educational services to the three-member communities of West Newbury, Groveland and Merrimac. This joint venture assesses each community its share of operational and debt service costs based on student population and other factors. In fiscal year 2018, the Town's share of the operating, capital and debt service expenses was \$7,378,430. There is no equity interest reported in these financial statements. Complete audited financial statements can be obtained directly from the District's administrative office located at 22 Main Street, West Newbury, MA 01985

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

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

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 government funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

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

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenue*. For the most part, the effect of interfund activity has been removed from the government-wide financial statements.

The governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e. measurable and available). Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt which is recognized when payment is due, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

The Town considers property tax revenues to be available if they are collected within 60 days after the end of the fiscal year. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.

The government reports the following major governmental funds:

General Fund – is the government’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Community Preservation Fund – is used to account for funds received in accordance with the state Community Preservation Act. Funds are used to acquire or develop open space and recreational facilities, historic resources and affordable housing.

Library Trust Fund – are used to account for financial resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the Town’s public library.

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major proprietary fund:

Water Enterprise Fund - is used to account for user charges collected to finance costs associated with operating and maintaining the Town’s water utility.

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

The government reports the following fiduciary funds:

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

Private-Purpose Funds – is used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments. This fund is used for educational scholarships and needy citizen benefit funds.

Agency Fund – is used to account for assets held in a purely custodial capacity. This fund is primarily used for employee payroll withholdings, private public safety details, student activity funds and developer escrow funds. Agency funds apply the accrual basis of accounting but do not have a measurement focus.

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

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

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

Receivables – Real estate and personal property taxes are assessed on January 1 every year. Bills are sent quarterly and are due on August 1, November 1, February 1, and May 1, or thirty days subsequent to the mailing date. Interest accrues on delinquent taxes at the rate of 14% per annum. Property taxes levied are recorded as receivables in the fiscal year of the levy.

Real estate taxes and water user fees may be secured through a lien process within 60 days after the due date and are considered 100% collectible. Accordingly, an allowance for uncollectible balances for these receivables is not reported. All personal property tax, excise tax and other departmental receivables are shown net of an allowance for uncollectible balances comprised of those outstanding amounts greater than five years old.

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

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

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Net interest incurred during the construction phase of capital assets of business-type activities, if material is included as part of the capitalized value of the assets constructed.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Buildings and improvements	40 years
Machinery, equipment, and vehicles	2-12 years
Infrastructure	60 years

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

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

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

Compensated Absences – It is the Town’s policy to not permit employees to accumulate earned but unused vacation benefits beyond their annual contract date, which falls on June 30. Hourly employees who have been employed at least ten years are eligible to buy back 25% of their accumulated sick leave. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting the payroll and related expenditures. Amounts related to these benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured.

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

In the governmental fund financial statements, the face amount of long-term debt issued is reported as other financing sources. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

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



In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that are reported on the government-wide statement of net position which relate to outflows from changes in the net pension liability and the other postemployment benefit liability. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A.

The deferred postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection C. The Town also one type of item that arises under a modified accrual basis of accounting which qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: property taxes, user charges and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

*Nonexpendable permanent funds* represent the endowment portion of donor restricted trusts that support governmental programs.

*Community preservation* represents assets that are restricted by state law for the purposes of acquiring or developing open space and recreational facilities, historic resources and affordable housing.

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

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

*Stabilization Funds* – The Town maintains a general stabilization fund which may be used for any municipal purpose upon a two-thirds vote of the Town Meeting. The balance of the fund totals \$2,282,507 at June 30, 2018 and is reported as unassigned fund balance in the General Fund.

The Town maintains a water stabilization fund which may be used for any water enterprise purpose upon a two-thirds vote of the Town Meeting. The balance of the fund totals \$8,072 at June 30, 2018 and is reported as unrestricted net position in the Water Enterprise Fund.

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the Town's policy to use committed resources first, then assigned, and then unassigned as they are needed.

The Town has not established financial policies with respect to maintaining minimum fund balance amounts.

*Encumbrances* - The Town's encumbrance policy regarding the general fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the Town Administrator as assigned, and (2) classify encumbrances that result from an action of the Town Meeting as committed. Encumbrances of funds already restricted or committed are included within the classification of those fund balances and not reported separately. The Town reports \$1,127 of encumbrances from normal purchasing activity in the general fund as assigned and \$324,852 of encumbrances from Town Meeting votes in the General Fund as committed. There are no encumbrances reported in any other fund.

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

	General Fund	Community Preservation Act Fund	Library Trust Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Nonexpendable trust funds	\$ -	\$ -	\$ 7,500	\$ -	\$ 7,500
Restricted:					
General government	-	-	-	343,657	343,657
Public safety	-	-	-	58,762	58,762
Health and human services	-	-	-	65,161	65,161
Culture and recreation	-	-	941,324	129,175	1,070,499
Community preservation	-	2,558,809	-	-	2,558,809
Municipal buildings	44,066	-	-	-	44,066
Other purposes	16,110	-	-	149,163	165,273
Committed:					
General government	124,746	-	-	-	124,746
Public safety	80,869	-	-	-	80,869
Education	12,106	-	-	-	12,106
Public works	102,579	-	-	-	102,579
Health and human services	3,776	-	-	-	3,776
Other purposes	776	-	-	-	776
Assigned:					
General government	1,127	-	-	-	1,127
Subsequent years' budget	315,000	-	-	-	315,000
Unassigned	4,139,580	-	-	(15,169)	4,124,411
	<u>\$ 4,840,735</u>	<u>\$ 2,558,809</u>	<u>\$ 948,824</u>	<u>\$ 733,917</u>	<u>\$ 9,082,285</u>

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

The Town incurred deficits totaling \$15,169 in the Nonmajor Governmental Funds, which is reported as a major fund. This deficit will be funded through available grant funds in future fiscal year.

#### F. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets 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 fiscal year. Actual results could vary from estimates that were used.

## II. Detailed Notes to All Funds

### A. Deposits and Investments

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

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

Custodial Credit Risk: Deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's deposit policy requires the Town to maintain no more than 25% of the Town's cash balance in any one institution. At year-end, the carrying amount of the Town's deposits was \$9,310,189 and the bank balance was \$9,457,560. Of the Town's bank balance, \$7,782,771 was covered by either federal depository insurance or by the depositors' insurance fund and \$1,674,789 was collateralized.

Custodial Credit Risk: Investments - In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the Town may not be able to recover the full amount of its principal investment and/or investment earnings. The Town's formal policy requires that investments in corporate bonds must be investment grade A or higher by Moody's or Standard and Poor.

United States governmental obligations totaling \$1,055,711, corporate bond holdings totaling \$1,028,190, and equity securities totaling \$1,583,328 are exposed to custodial credit risk because the related securities are uninsured, unregistered and are held by the counterparty.

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

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

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

The following table presents the Town's investments carried at fair value on a recurring basis in the statement of net position at June 30, 2018:

	6/30/18	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Investments by fair value level</b>				
Debt securities:				
U.S. Government obligations	\$ 1,055,711	\$ 169,569	\$ 886,142	\$ -
Corporate bonds	1,028,190	-	1,028,190	-
Negotiable certificates of deposit	1,149,286	-	1,149,286	-
Money market mutual funds	111,700	-	111,700	-
Total debt securities	3,344,887	169,569	3,175,318	-
Equity securities:				
Common stock	1,583,328	1,583,328	-	-
Exchange traded funds	64,554	64,554	-	-
Equity mutual funds	43,573	43,573	-	-
Total equity securities	1,691,455	1,691,455	-	-
Total investments by fair value level	\$ 5,036,342	\$ 1,861,024	\$ 3,175,318	\$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Negotiable certificates of deposit and repurchase agreements are classified in Level 2 and are valued using matrix pricing based on the securities' relationship to benchmark quoted prices. Bond mutual funds are classified in Level 2 and are valued at the published fair value per share for each fund.

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

At June 30, 2018, the Town's investments had the following maturities:

Investments	6/30/2018	Time Until Maturity (Years)		
		<1	1 - 5	6 - 10 Years
U.S. Government obligations	\$ 1,055,711	\$ 169,569	\$ 886,142	\$ -
Corporate bonds	1,028,191	24,952	551,011	452,228
Negotiable certificates of deposit	1,149,286	-	1,149,286	-
Money market mutual funds	111,700	111,700	-	-
Total Town Investments with Maturities	\$ 3,344,888	\$ 306,221	\$ 2,586,439	\$ 452,228

*Concentration of Credit Risk* – The Town does not place a limit on the amount that may be invested in any one issuer. The Town does not maintain balances in any single investment that would represent more than 5% of the Town's total investments

*Credit Risk* – The Town has not adopted a formal policy related to credit risk. At June 30, 2018, the credit quality ratings of the Town’s investments were as follows:

Investments	Quality Ratings (Moody's)									
	AAA	AA1	AA3	A1	A2	A3	BAA1	BAA2	BAA3	Unrated
U.S. Government obligations	\$ 1,055,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate bonds	-	172,433	30,110	372,430	177,490	72,663	104,097	73,152	25,815	-
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-	1,149,286
Money market mutual funds	-	-	-	-	-	-	-	-	-	111,700
Total	<u>\$ 1,055,711</u>	<u>\$ 172,433</u>	<u>\$ 30,110</u>	<u>\$ 372,430</u>	<u>\$ 177,490</u>	<u>\$ 72,663</u>	<u>\$ 104,097</u>	<u>\$ 73,152</u>	<u>\$ 25,815</u>	<u>\$ 1,260,986</u>

## B. Receivables

Receivables as of year-end for the Town’s individual major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes	\$ 107,075	\$ -	\$ 107,075
Tax liens, deferrals, and foreclosures	94,792	-	94,792
Excise	58,983	-	58,983
Other	29,741	-	29,741
Community preservation surcharges	2,571	-	2,571
Title V betterments	37,984	-	37,984
Intergovernmental	44,774	-	44,774
Total	<u>\$ 375,920</u>	<u>\$ -</u>	<u>\$ 375,920</u>

Receivables as of year-end for the Town’s proprietary fund are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Water user fees	<u>\$ 265,385</u>	<u>\$ -</u>	<u>\$ 265,385</u>

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

	Other		Total
	General Fund	Governmental Funds	
Receivables type:			
Real estate and personal property taxes	\$ 107,075	\$ -	\$ 107,075
Tax liens, deferrals, and foreclosures	94,792	-	94,792
Excise	58,983	-	58,983
Other	29,741	-	29,741
Community preservation surcharges	-	2,571	2,571
Title V betterments	-	37,984	37,984
Total	<u>\$ 290,591</u>	<u>\$ 40,555</u>	<u>\$ 331,146</u>

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

Interfund transfers for the fiscal year ended June 30, 2018, are summarized as follows:

Transfers Out	Transfers In		
	General Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 18,126	\$ 18,126 (1)
Nonmajor Governmental Funds	104,900	-	104,900 (2)
Total	<u>\$ 104,900</u>	<u>\$ 18,126</u>	<u>\$ 123,026</u>

- (1) Transfers to nonmajor governmental funds to supplement Bicentennial Celebration fund and Police Cruiser Fees.
- (2) Transfers to general fund to subsidize operating budgets.

## D. Capital Assets

Capital assets for the year ended June 30, 2018 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental Activities:</i>				
Capital assets not being depreciated:				
Land	\$ 9,453,482	\$ -	\$ -	\$ 9,453,482
Construction in progress	1,546,921	-	(1,546,921)	-
Total capital assets not being depreciated	11,000,403	-	(1,546,921)	9,453,482
Capital assets being depreciated:				
Buildings	13,097,272	1,608,738	-	14,706,010
Improvements other than buildings	1,593,374	22,380	-	1,615,754
Infrastructure	8,921,129	270,310	-	9,191,439
Machinery and equipment	1,015,478	250,050	-	1,265,528
Vehicles	3,167,200	39,764	-	3,206,964
Total capital assets being depreciated	27,794,453	2,191,242	-	29,985,695
Less accumulated depreciation for:				
Buildings	(6,776,753)	(349,168)	-	(7,125,921)
Improvements other than buildings	(1,364,540)	(28,240)	-	(1,392,780)
Infrastructure	(2,691,373)	(163,185)	-	(2,854,558)
Machinery and equipment	(654,381)	(59,742)	-	(714,123)
Vehicles	(2,483,850)	(225,535)	-	(2,709,385)
Total accumulated depreciation	(13,970,897)	(825,870)	-	(14,796,767)
Total capital assets being depreciated, net	13,823,556	1,365,372	-	15,188,928
Governmental activities capital assets, net	\$ 24,823,959	\$ 1,365,372	\$ (1,546,921)	\$ 24,642,410
<i>Business Activities - Water:</i>				
Capital assets not being depreciated:				
Land	\$ 395,662	\$ -	\$ -	\$ 395,662
Construction in process	-	76,500	-	76,500
Total capital assets not being depreciated	395,662	76,500	-	472,162
Capital assets being depreciated:				
Infrastructure	4,924,077	-	-	4,924,077
Improvement other than buildings	5,570	-	-	5,570
Machinery and equipment	139,974	-	-	139,974
Vehicles	115,017	-	-	115,017
Total capital assets being depreciated	5,184,638	-	-	5,184,638
Less accumulated depreciation for:				
Infrastructure	(2,767,087)	(80,401)	-	(2,847,488)
Improvement other than buildings	(5,571)	-	-	(5,571)
Machinery and equipment	(82,744)	(5,728)	-	(88,472)
Vehicles	(71,656)	(9,636)	-	(81,292)
Total accumulated depreciation	(2,927,058)	(95,765)	-	(3,022,823)
Total capital assets being depreciated, net	2,257,580	(95,765)	-	2,161,815
Business activities capital assets, net	\$ 2,653,242	\$ (19,265)	\$ -	\$ 2,633,977



Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>		<b>Business-Type Activities:</b>	
General government	\$ 96,917	Water	<u>\$ 95,765</u>
Public safety	248,363		
Education	110,751		
Public works	300,056		
Health and human services	29,144		
Culture and recreation	40,639		
	<u>\$ 825,870</u>		

**E. Temporary Debt**

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

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

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

Temporary notes are general obligations of the Town and carry maturity dates that are limited by state law. Interest expenditures and expenses for temporary debt are accounted for in the general fund and enterprise funds, respectively.

The Town does not report any temporary debt activity during the current fiscal year.

**F. Long-Term Obligations**

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental and business-type activities. Additionally, the Town incurs various other long-term obligations relative to associated personnel costs.

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

MCWT Loan Subsidies – The Town has entered into multiple loan agreements with the Massachusetts Clean Water Trust (MCWT) for Title V septic loans. It is expected that the Town will be subsidized by the MCWT on a periodic basis for interest in the amount of \$3,281 until the maturity of these agreements.

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
<u>Governmental Activities:</u>					
Bond and note indebtedness	\$ 2,411,442	\$ -	\$ (491,192)	\$ 1,920,250	\$ 461,192
Compensated absences	111,211	9,465	(16,682)	103,994	15,599
Net pension liability	6,704,690	1,210,814	(1,589,673)	6,325,831	-
Total Governmental Activities	<u>\$ 9,227,343</u>	<u>\$ 1,220,279</u>	<u>\$ (2,097,547)</u>	<u>\$ 8,350,075</u>	<u>\$ 476,791</u>
<u>Business-type Activities: Water</u>					
Bond and note indebtedness	\$ 60,145	\$ 1,700,000	\$ (12,029)	\$ 1,748,116	\$ 42,029
Compensated absences	6,669	-	(673)	5,996	2,998
Net pension liability	569,031	102,763	(134,917)	536,877	-
Total Business-type Activities: Water	<u>\$ 635,845</u>	<u>\$ 1,802,763</u>	<u>\$ (147,619)</u>	<u>\$ 2,290,989</u>	<u>\$ 45,027</u>

The governmental activities liabilities will be liquidated by the general fund. The business-type activities liabilities will be liquidated by the water enterprise fund. The following is a summary of long-term debt and future year maturities as of June 30, 2018:

Description of Issue	Maturing Year	Interest Rate	Beginning Balance	Additions	Maturities	Ending Balance
<u>Governmental Activities:</u>						
General obligation bonds	2025	2.00 - 4.00%	\$ 2,285,000	\$ -	\$ (470,000)	\$ 1,815,000
MCWT notes (Title V)	2024	0.00 - 5.25%	126,442	-	(21,192)	105,250
Total Governmental Bond and Note Indebtedness			<u>2,411,442</u>	<u>-</u>	<u>(491,192)</u>	<u>1,920,250</u>
<u>Business-type Activities - Water:</u>						
FHA loan	2022	5.00%	60,145	-	(12,029)	48,116
General obligation bonds	2048	3.00 - 5.00%	-	1,700,000	-	1,700,000
Total Water Bond and Note Indebtedness			<u>60,145</u>	<u>1,700,000</u>	<u>(12,029)</u>	<u>1,748,116</u>
Total Long-Term Bond and Note Indebtedness - All			<u>\$ 2,471,587</u>	<u>\$ 1,700,000</u>	<u>\$ (503,221)</u>	<u>\$ 3,668,366</u>

Governmental Activities - Total Bond and Note Indebtedness						
Year Ending June 30,	Principal		Interest			Total
	Balance	Net	Balance	Subsidy	Net	
2019	\$ 461,192	\$ 461,192	\$ 33,535	\$ (1,635)	\$ 31,900	\$ 493,092
2020	456,192	456,192	24,244	(1,094)	23,150	479,342
2021	361,413	361,413	15,952	(552)	15,400	376,813
2022	315,361	315,361	8,950	-	8,950	324,311
2023	305,364	305,364	2,950	-	2,950	308,314
2024-2028	20,728	20,728	-	-	-	20,728
Total	<u>\$ 1,920,250</u>	<u>\$ 1,920,250</u>	<u>\$ 85,631</u>	<u>\$ (3,281)</u>	<u>\$ 82,350</u>	<u>\$ 2,002,600</u>

Business-type Activities: Water - Total Bond and Note Indebtedness						
Year Ending June 30,	Principal		Interest			Total
	Balance	Net	Balance	Subsidy	Net	
2019	\$ 42,029	\$ 42,029	\$ 61,718	\$ -	\$ 61,718	\$ 103,747
2020	42,029	42,029	59,616	-	59,616	101,645
2021	47,029	47,029	57,390	-	57,390	104,419
2022	47,029	47,029	55,038	-	55,038	102,067
2023	35,000	35,000	52,687	-	52,687	87,687
2024-2028	215,000	215,000	232,935	-	232,935	447,935
2029-2033	260,000	260,000	186,260	-	186,260	446,260
2034-2038	300,000	300,000	144,410	-	144,410	444,410
2039-2043	350,000	350,000	94,594	-	94,594	444,594
2044-2048	410,000	410,000	34,453	-	34,453	444,453
Total	<u>\$ 1,748,116</u>	<u>\$ 1,748,116</u>	<u>\$ 979,101</u>	<u>\$ -</u>	<u>\$ 979,101</u>	<u>\$ 2,727,217</u>

Authorized and Unissued Debt – The Town had the following authorized and unissued debt as of June 30, 2018:

Septic Loan	\$ 4,911
MCWT	<u>3,100</u>
Total	<u>\$ 8,011</u>

### G. Capital Leases

The Town has entered into non-cancelable leases for the purchase of a fire truck. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

Assets acquired through capital leases are as follows:

	<u>Amount</u>
<i>Asset:</i>	
Aerial Fire Ladder Truck	\$ 731,019
Less: accumulated depreciation	<u>(694,468)</u>
Total	<u>\$ 36,551</u>

### **III. Other Information**

#### **A. Retirement System**

Plan Description – The Town contributes to the Essex Regional Retirement System (the System), a multiple-employer defined benefit pension plan established under Chapter 32 of the Commonwealth of Massachusetts General Laws (MGL) and is administered by the Essex Regional Retirement Board (ERRB). Standalone financial statements for the year ended December 31, 2017 were issued and may be obtained by writing to the Essex Regional Retirement System, 401 Maple Street, Suite 202, Danvers MA 01923.

Membership – Membership in the Retirement System as of December 31, 2017, was as follows:

Retirees and beneficiaries currently receiving benefits	1,768
Active plan members	2,738
Inactive plan members	<u>1,030</u>
Total	<u>5,536</u>

Benefit Terms – The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. 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 directly. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Membership in the System is mandatory for all full-time employees and non-seasonal, part-time employees who, in general, regularly work more than twenty hours per week. Members of the Retirement System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform from retirement system to retirement system. The System provides for retirement allowance benefits up to a maximum of 80% of a participant’s highest three-year or five-year average annual rate of regular compensation, depending on the participant’s date of hire. Benefit payments are based upon a participant’s age, length of creditable service, level of compensation and job classification.

Contributions Requirements – The System has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method.

The Town contributed \$594,396 to the System in fiscal year 2018, which was equal to its actuarially-determined contribution requirement for the fiscal year. The Town’s contributions as a percentage of covered payroll was approximately 23.8% in fiscal year 2018.

Net Pension Liability – At June 30, 2018, the Town reported a liability of \$6,862,708 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. There were no material changes made in this update to the actuarial assumptions (see below) nor were there any material changes to the System’s benefit terms since the actuarial valuation.

The Town's proportion of the net pension liability is based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all employers. The Town's proportion was approximately 1.8% at December 31, 2017, which was consistent with the proportion measured at December 31, 2016.

Pension Expense – The Town recognized \$729,294 in pension expense in the statement of activities in fiscal year 2018.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual earnings	\$ -	\$ 302,151
Changes in proportion differences	95,476	-
Changes in assumptions	563,448	-
Difference between expected and actual experience	-	97,120
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	311,212
Total	<u>\$ 658,924</u>	<u>\$ 710,483</u>

The deferred outflows of resources and deferred inflows of resources are expected to be recognized in the Town's pension expense as follows:

<u>Year ended June 30,</u>	
2018	\$ 18,746
2019	25,424
2020	(21,880)
2021	(73,849)
2022	-
Total	<u>\$ (51,559)</u>

Actuarial Valuation – The measurement of the Retirement System’s total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2018. The significant actuarial assumptions used in the January 1, 2018 actuarial valuation included:

Actuarial cost method:	Entry age normal cost method
Amortization method:	The total appropriation is set to increase annually by 7.41% for five years, then by 6.36% for one year and 4% increases annually thereafter until the final year which will be 3.89%.
Remaining amortization period:	17 years for the fresh start base
Asset valuation method:	Market value adjusted by accounts payable and receivables adjusted to phase in over 5 years investment gains or losses above or below the expected rate of investment return. The actuarial value of assets must be no less than 90% of the adjusted market value nor more than 110% of the adjusted market value.
Investment rate of return:	7.50% per year
Projected salary increases:	3.75% Ultimate rate, with steps. 7.5% year one, 6.5% year two, 6.0% year three, 5.5% year four, 5.0% year five.
Cost of living adjustments:	3% of the first \$14,000 of a member’s retirement allowance is assumed to be granted every year.
Mortality rates:	Pre-retirement: the RP-2000 mortality table (sex-distinct) projected with scale BB and Generational Mortality. During employment the healthy employee mortality table is used. Post-employment the healthy annuitant table is used.
Disabled life mortality:	The RP-2000 mortality table for healthy annuitants (sex-distinct) projected with scale BB and Generational Mortality set-forward by 2 years. Death is assumed to be due to the same cause as the disability 40% of the time

Discount Rate – The discount rate used to measure the total pension was 7.50%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially-determined contribution rates and the member rate.

Based on those assumptions, the Retirement System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	17.50%	6.15%
International developed markets equity	15.50%	7.11%
International emerging markets equity	6.00%	9.41%
Core fixed income	12.00%	1.68%
High-yield fixed income	10.00%	4.13%
Real estate	10.00%	4.90%
Commodities	4.00%	4.71%
Hedge fund, GTAA, Risk parity	13.00%	3.94%
Private equity	12.00%	10.28%
	<u>100.00%</u>	

Sensitivity Analysis – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.50% as well as the Town's proportionate share of the net pension liability using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1% decrease Discount Rate 6.50%	Current Discount Rate 7.50%	1% increase Discount Rate 8.50%
Net Pension Liability	\$ 8,634,121	\$ 6,862,708	\$ 5,372,703

## B. Risk Financing

The Town is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town participates in a health insurance risk pool administered by the Southeastern Massachusetts Health Group (the Group). The Group offers a variety of premium based plans to

its members with each participating governmental unit charged a premium for coverage based on rates established by the Group. In the event the Group is terminated, the Town would be obligated to pay its proportionate share of a deficit, should one exist.

**C. Tax Abatements**

The Town enters into property tax abatements with local businesses as an incentive for economic growth, including expansion of current facilities and job opportunities for local residents. The agreements are commonly referred to as tax increment financing, or TIF, agreements. Under Massachusetts General Law Chapter 40, Section 59, property owners may be granted property tax abatements of up to 100% of the value of a tax increment for a maximum term of twenty years provided the property is located in a TIF zone. TIF zones are approved by the Massachusetts Economic Assistance Coordinating Council. Furthermore, the Town Meeting must approve all TIF agreements.

For the fiscal year ended June 30, 2018, the Town did not abate any property taxes under this program to any property owners.

**D. Other Postemployment Benefits (OPEB)**

The Town administers a single-employer defined benefit healthcare plan (the “OPEB Plan”) that provides health, dental and life insurance benefits (other postemployment benefits) to retirees and their dependents/beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B.

An employee shall become eligible to retire under this plan upon the completion of 10 years of creditable service and the attainment of age 55 as an active member or with 20 years of service regardless of age.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and Town ordinance. All benefits are provided through the Town’s premium-based insurance programs, and these include comprehensive medical insurance. Pre-65 retirees are provided with HMO Blue New England Plan and Post 65 retirees have Medex II.

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of June 30, 2018:

Active employees	34
Inactives currently receiving benefits	<u>38</u>
Total	<u><u>72</u></u>



The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	7.00%
Single Equivalent Discount Rate	7.00% net of OPEB plan investment expense including inflation.
Inflation	2.5% annually as of June 30, 2018 and for future periods.
Health Care Trend Rate	9.0%; trending down to 5.0% by 2020
Salary Increases	2.5% annually as of June 30, 2018 and for future periods.
Mortality	For healthy participants: the mortality are from the RPH-2014 combined mortality table projected on a generational basis with projection scale MP-2016.
Actuarial Cost Method	Entry age normal

Key Changes in Assumptions – There were no key assumption changes.

Contributions – The contribution requirements of OPEB Plan members and the Town are established and may be amended by the Town. Retirees contributed 50% of the set premium for medical insurance during fiscal 2018. The remainder of the cost is funded from taxation.

The Town currently contributes enough money to the Plan to maintain a fully-funded status. The costs of administering the OPEB Plan are paid by the Town.

For the year ended June 30, 2018, the Town’s average contribution rate was 3.2% of covered-employee payroll.

Net OPEB Asset – The Town’s net OPEB asset was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2016.

Discount Rate – The discount rate used to measure the total OPEB liability was 7.00% which was based on the long-term investment rate of return.

Long Term Expected Rate of Return – The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table:

Asset Class	Target Allocation	Expected Investment Rate of Return
Equities	58.80%	10.00%
Fixed Income	34.90%	4.00%
Exchange Traded Funds	3.10%	10.00%
Cash	3.20%	1.71%
	100.00%	
Real rate of return		4.75%
Inflation assumption		2.75%
Total nominal rate of return		7.50%
Investment expense		-0.50%
Net investment return		7.00%

Sensitivity Analyses – The following presents the Town’s net OPEB liability as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current discount rate as well as if the healthcare cost trend rates are 1% lower or higher than the current healthcare cost trend rates:

	1% decrease 6.00%	Discount Rate 7.00%	1% increase 8.00%
Net OPEB Liability (Asset)	\$ 157,229	\$ (131,885)	\$ (365,601)

	1% decrease 7% to 4%	Healthcare cost rate 8% to 5%	1% increase 9% to 6%
Net OPEB Liability (Asset)	\$ (309,336)	\$ (131,885)	\$ 114,387

Net OPEB Liability/(Asset) – The components of the net OPEB liability/(asset) of the Town at June 30, 2018 were as follows:

Total OPEB Liability	\$ 1,937,564
Plan fiduciary net position	<u>(2,069,449)</u>
Net OPEB liability (asset)	<u>\$ (131,885)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	106.8%

*Changes in the Net OPEB Asset* – The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2018:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balances at June 30, 2017	\$ 1,836,491	\$ 1,859,468	\$ (22,977)
Changes for the year:			
Service cost	57,287	-	\$ 57,287
Interest	129,610	-	129,610
Employer contributions	-	85,824	(85,824)
Net investment income	-	209,981	(209,981)
Benefit payments	(85,824)	(85,824)	-
Net changes	101,073	209,981	(108,908)
Balances at June 30, 2018	\$ 1,937,564	\$ 2,069,449	\$ (131,885)

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB* – For the year ended June 30, 2018, the Town recognized OPEB expense of \$40,771. Deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2018 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment Gain	\$ -	\$ 63,855
	\$ -	\$ 63,855

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

June 30,		
2019	\$	15,964
2020		15,964
2021		15,964
2022		15,963
2023		-
thereafter		-
	\$	63,855

- E. Commitments and Contingencies** – The Town is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability, if any, at June 30, 2018, cannot be ascertained, management believes that any resulting liability, if any, should not materially affect the basic financial statements of the Town at June 30, 2018.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is subject to certain Federal arbitrage laws in accordance with long-term borrowing agreements. Failure to comply with the rules could result in the payment of penalties. The amount of penalties, if any, cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

**F. Implementation of New GASB Pronouncements**

Current Year Implementations –

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*. GASB 75 established new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions of this Statement became effective in fiscal year 2018. The adoption of GASB No. 75 resulted in a reduction in beginning net position of \$145,278 and \$59,251 in the Town's governmental and business-type activities, respectively. Refer to Note IV.

In March 2016, the GASB issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of the Statement was to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions of this Statement became effective in fiscal year 2018 and did not have a material impact on the Town's financial statements.

In May 2017, the GASB issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of the Statement was to improve consistency in accounting and financial reporting for in-substance defeasance of debt. The provisions of this Statement became effective in fiscal year 2018 and did not have a material impact on the Town's financial statements.

Future Implementations –

In November 2016, the GASB issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. The objective of the Statement is to address accounting and financial reporting for certain asset retirement obligations that have legally enforceable liability associated with the retirement of a tangible capital asset. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2018 (fiscal year 2019). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of the Statement is to improve guidance regarding the identification of fiduciary activities for

accounting and financial reporting purposes and how these activities should be reported. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2018 (fiscal year 2020). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This Statement redefines the manner in which long-term leases are accounted and reported. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2019 (fiscal year 2021). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In April 2018, the GASB issued GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2018 (fiscal year 2019). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement establishes accounting requirements for interest costs incurred before the end of a construction period. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2019 (fiscal year 2021). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In August 2018, the GASB issued GASB Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61*. The objective of this Statement is to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2018 (fiscal year 2020). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

**IV. Restatement of Prior Year Balances**

The Town adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal year 2018. Previously, OPEB was accounted for under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The result of the adoption of GASB Statement No. 75 was to eliminate the net OPEB obligation recorded in the Town financial statements at June 30, 2018 and record the net OPEB liability at June 30, 2017. The impact is illustrated in the table below:

	<u>Governmental</u>	<u>Water</u>
Net position at June 30, 2017, as reported	\$ 25,112,991	\$ 3,245,004
Eliminate previously recorded OPEB asset	(168,055)	(61,428)
Record net OPEB asset	<u>22,977</u>	<u>2,178</u>
Net position at June 30, 2017, as restated	<u>\$ 24,967,913</u>	<u>\$ 3,185,754</u>

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS**  
**YEAR ENDED JUNE 30, 2018**

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**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
*(dollar amounts are in thousands)*

	Year Ended June 30,			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	1.823%	1.888%	1.853%	1.906%
Town's proportionate share of the net pension liability (asset)	\$ 6,835	\$ 7,274	\$ 6,733	\$ 6,466
Town's covered-employee payroll	\$ 2,495	\$ 2,205	\$ 2,379	\$ 2,288
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	273.9%	329.9%	283.0%	282.6%
Plan fiduciary net position as a percentage of the total pension liability	55.4%	51.1%	51.0%	52.3%

**SCHEDULE OF THE TOWN CONTRIBUTIONS TO PENSION PLAN**  
*(dollar amounts are in thousands)*

	Year Ended June 30,			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 594	\$ 572	\$ 656	\$ 509
Contributions in relation to the actuarially determined contribution	<u>594</u>	<u>572</u>	<u>656</u>	<u>509</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 2,495	\$ 2,205	\$ 2,379	\$ 2,288
Contributions as a percentage of covered-employee payroll	23.8%	25.9%	27.6%	22.2%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditors' report.

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2018**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
LAST 10 FISCAL YEARS**

	2018	2017
Total OPEB liability:		
Service cost	\$ 57,287	\$ 55,931
Interest	129,610	126,392
Benefit payments	(85,824)	(73,798)
Other	-	(58,609)
Net change in total OPEB liability	101,073	49,916
Total OPEB liability - beginning of year	1,836,491	1,786,575
Total OPEB liability - end of year (a)	<u>\$ 1,937,564</u>	<u>\$ 1,836,491</u>
Plan fiduciary net position:		
Contributions - employer	\$ 85,824	\$ 73,798
Net investment income	79,818	120,838
Difference between expected and actual plan experience	130,163	-
Benefit payments	(85,824)	(73,798)
Other	-	12,376
Net change in Plan fiduciary net position	209,981	133,214
Plan fiduciary net position - beginning of year	1,859,468	1,726,254
Plan fiduciary net position - end of year (b)	<u>\$ 2,069,449</u>	<u>\$ 1,859,468</u>
Net OPEB liability (asset) - end of year (a) - (b)	<u>\$ (131,885)</u>	<u>\$ (22,977)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	106.81%	101.25%
Covered-employee payroll	\$ 2,661,029	\$ 2,596,126
Net OPEB liability as a percentage of covered-employee payroll	-4.96%	-0.89%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

Note: This schedule is presented using the optional format of combining the required schedules in paragraph 36a and 36b.

See independent auditors' report.

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
YEAR ENDED JUNE 30, 2018**

**SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

	2018	2017
Actuarially-determined contribution	\$ 59,869	\$ 121,807
Contributions in relation to the actuarially-determined contribution	(85,824)	(121,807)
Contribution deficiency (excess)	\$ (25,955)	\$ -
Covered-employee payroll	\$ 2,661,029	\$ 2,596,126
Contribution as a percentage of covered-employee payroll	3.23%	4.69%
Valuation Date	July 1, 2016	July 1, 2016
Amortization Period	30 years	30 years
Investment rate of return	7.00%	7.00%
Single Equivalent Discount Rate	7.00%	7.00%
Inflation	2.50%	2.50%
Healthcare cost trend rates	8.00% to 5.00%	9.00% to 6.00%
Salary increases	2.50%	2.50%
Actuarial Cost Method	Individual Entry Age Normal (for all years presented)	
Asset Valuation Method	Market Value of Assets as of Reporting Date (for all years presented)	

**SCHEDULE OF INVESTMENT RETURNS  
LAST 10 FISCAL YEARS**

	2018	2017
Annual money-weighted rate of return, net of investment expense	11.79%	7.43%

Note: These schedules are presented to illustrate the requirement to show information for 10 years. however, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See independent auditors' report.



TOWN OF WEST NEWBURY, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances and continuing appropriations	Actual Budgetary Adjusted	Variance Positive (Negative)
	Original Budget	Final Budget				
<b>REVENUES</b>						
Real estate and personal property taxes, net	\$ 12,888,721	\$ 12,888,721	\$ 13,039,154		\$ 13,039,154	\$ 150,433
Intergovernmental	369,720	369,720	365,877		365,877	(3,843)
Motor vehicle and other excises	701,500	701,500	776,894		776,894	75,394
License and permits	175,000	175,000	156,494		156,494	(18,506)
Departmental and other revenue	215,000	215,000	264,434		264,434	49,434
Penalties and interest on taxes	35,000	35,000	46,203		46,203	11,203
Fines, Fees and forfeitures	5,600	5,600	17,278		17,278	11,678
Investment income	40,000	40,000	43,846		43,846	3,846
<b>Total Revenues</b>	<b>14,430,541</b>	<b>14,430,541</b>	<b>14,710,180</b>		<b>14,710,180</b>	<b>279,639</b>
<b>EXPENDITURES</b>						
General government	1,386,962	1,382,962	1,078,680	\$ 125,873	1,204,553	178,409
Public safety	2,168,793	2,244,784	1,977,035	80,869	2,057,904	186,880
Education	7,772,098	7,772,098	7,759,992	12,106	7,772,098	-
Public works	1,360,330	1,444,458	1,284,627	102,579	1,387,206	57,252
Health and human services	634,546	640,546	570,104	3,776	573,880	66,666
Culture and recreation	369,435	369,435	359,826	-	359,826	9,609
Fringe Benefits	1,006,302	1,006,302	978,128	-	978,128	28,174
State and county tax assessments	93,674	93,674	91,460	776	92,236	1,438
Debt service	615,900	615,900	511,000	-	511,000	104,900
<b>Total Expenditures</b>	<b>15,408,040</b>	<b>15,570,159</b>	<b>14,610,852</b>	<b>\$ 325,979</b>	<b>14,936,831</b>	<b>633,328</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	154,419	154,419	154,419		154,419	-
Transfers out	(864,122)	(864,122)	(872,248)		(872,248)	(8,126)
<b>Total Other Financing Sources (Uses)</b>	<b>(709,703)</b>	<b>(709,703)</b>	<b>(717,829)</b>		<b>(717,829)</b>	<b>(8,126)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES/USE OF PRIOR YEAR BUDGETARY FUND BALANCE</b>						
	<b>(1,687,202)</b>	<b>(1,849,321)</b>	<b>\$ (618,501)</b>		<b>\$ (944,480)</b>	<b>\$ 904,841</b>
Other Budgetary Items:						
Undesignated surplus (free cash)	\$ 855,067	\$ 1,017,186				
Prior year encumbrances	832,135	832,135				
<b>Total Other Budgetary Items</b>	<b>1,687,202</b>	<b>1,849,321</b>				
<b>Net Budget</b>	<b>\$ -</b>	<b>\$ -</b>				

See accompanying independent auditors' report.  
See accompanying notes to required supplementary information.

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2018**

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**I. Budgetary Basis of Accounting**

*Budgetary Information* – An annual budget is legally adopted for the General Fund. Financial orders are initiated by department heads, recommended by the Board of Selectmen and approved by the Town Meeting members at the Town’s annual meeting in May. Expenditures may not legally exceed appropriations at the department level, or in the categories of salary and non-salary expenses. Department heads may transfer, without Town meeting approval, appropriation balances from one expenditure account to another within each budget categories. The Town Meeting, however, must approve any transfer of unencumbered appropriation balances between departments or categories. At the close of each fiscal year, unencumbered appropriation balances lapse or reverts to unreserved fund balance.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. During fiscal year 2018, Town Meeting approved approximately \$162,000 in supplemental budgetary increases.

The Town Accountant has the responsibility to ensure that budgetary control is maintained in the manner in which the appropriations were voted at Town Meeting. Budgetary control is exercised through the Town’s accounting system.

*Budgetary-to-GAAP Reconciliation* – The Town’s general fund is prepared on a basis other than GAAP. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2018, is as follows:

	<u>Basis of Accounting Differences</u>	<u>Fund Perspective Differences</u>	<u>Total</u>
Revenues on a budgetary basis			\$ 14,710,180
Stabilization investment income	\$ -	\$ (6,001)	(6,001)
Revenues on a GAAP basis	<u>\$ -</u>	<u>\$ (6,001)</u>	<u>\$ 14,704,179</u>
Expenditures on a budgetary basis			\$ 14,610,852
Enterprise Fund indirect costs reported as expenditures	\$ (49,519)	\$ -	(49,519)
Municipal building insurance costs	-	5,934	5,934
Expenditures on a GAAP basis	<u>\$ (49,519)</u>	<u>\$ 5,934</u>	<u>\$ 14,567,267</u>
Other financing sources (uses) on a budgetary basis			\$ (717,829)
Enterprise Fund indirect costs reported as expenditures	\$ (49,519)	\$ -	(49,519)
Municipal building trust transfers, net	-	25,000	25,000
Stabilization transfers, net	-	829,122	829,122
Other financing sources (uses) on a GAAP basis	<u>\$ (49,519)</u>	<u>\$ 854,122</u>	<u>\$ 86,774</u>



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

The Honorable Members of the Board of Selectmen  
Town of West Newbury, Massachusetts

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of West Newbury, Massachusetts (the "Town"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 27, 2019.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Roselli Clark & Associates*

Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts  
January 27, 2019

January 27, 2019

Roselli, Clark & Associates  
Certified Public Accountants  
500 West Cummings Park, Suite 4900  
Woburn, Massachusetts 01801

Gentlemen:

This representation letter is provided in connection with your audit(s) of the financial statements of the Town of West Newbury, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, make it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter above, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 9, 2016 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Town of West Newbury is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

11. We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documents, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Town of West Newbury from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of governing authorities or summaries of actions of recent meeting for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the Town of West Newbury and involves –
  - a) Management,
  - b) Employees who have significant roles in internal control, or

- c) Others where the fraud could have a material effect on the financial statements.
- 15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Town of West Newbury' financial statements communicated by employees, former employees, regulators, or others.
- 16. Other than the two instances we have discussed with you, we have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18. We have disclosed to you the identity of the Town of West Newbury' related parties and all the related party relationships and transactions of which we are aware.

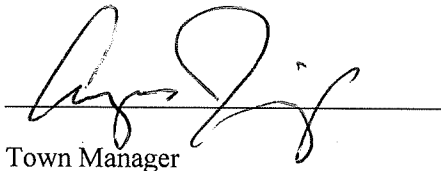
**Government-specific**

- 19. Other than the one instance we have discussed with you, there have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that you have reported to us, if any.
- 21. We have a process to track the status of audit findings and recommendations, if any.
- 22. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 23. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report, as necessary.
- 24. The Town of West Newbury has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 25. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 26. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 27. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts of other financial data significant to the audit objectives.
- 28. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

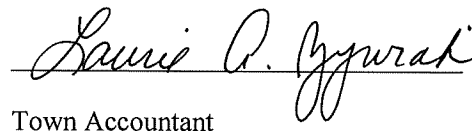
29. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
30. As part of the audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
31. The Town of West Newbury has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
32. The Town of West Newbury has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
33. The financial statements include all component units as well as joint venture with an equity interest, and properly disclose all other joint ventures and other related organizations.
34. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
35. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
36. Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
37. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
38. Provisions for uncollectible receivables have been properly identified and recorded.
39. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
40. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
41. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
42. Special and extraordinary items that were identified as such, (if any) are appropriately classified and reported.



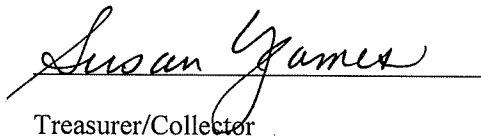
43. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
44. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
45. We have appropriately disclosed the Town of West Newbury's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net assets were properly recognized under the policy.
46. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
47. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.



Town Manager



Town Accountant



Treasurer/Collector



## Town of West Newbury, Massachusetts Audit Confirmation

As requested we have prepared the following information:

1. The total balance of long-term debt outstanding as of June 30, 2018.
2. List of principal payments made during FY 2018.
3. List of interest payments made during FY 2018.
4. The amortization schedule (by purpose) for each long-term debt issue outstanding as of June 30, 2018.

A handwritten signature in black ink, appearing to read "Pete Fy", is positioned above a horizontal line.

Authorized Signature

\*MCWT issues within this audit confirmation are presented on a gross basis and are not reduced by any applicable subsidies. Please find original MCWT Schedules presented on a net basis attached as Appendix A.

1

**Town of West Newbury, Massachusetts**  
*Total Long-Term Debt Outstanding as of June 30, 2018*

**Aggregate Debt Service**

Date	Principal	Interest	Total P+I
06/30/2018	-	-	-
06/30/2019	503,220.68	95,253.64	598,474.32
06/30/2020	498,220.68	83,860.76	582,081.44
06/30/2021	408,441.67	73,342.88	481,784.55
06/30/2022	362,391.85	63,988.94	426,380.79
06/30/2023	340,364.00	55,637.50	396,001.50
06/30/2024	50,364.00	50,812.50	101,176.50
06/30/2025	50,364.00	48,812.50	99,176.50
06/30/2026	45,000.00	46,687.50	91,687.50
06/30/2027	45,000.00	44,437.50	89,437.50
06/30/2028	45,000.00	42,187.50	87,187.50
06/30/2029	50,000.00	40,312.50	90,312.50
06/30/2030	50,000.00	38,812.50	88,812.50
06/30/2031	50,000.00	37,312.50	87,312.50
06/30/2032	55,000.00	35,737.50	90,737.50
06/30/2033	55,000.00	34,087.50	89,087.50
06/30/2034	55,000.00	32,437.50	87,437.50
06/30/2035	60,000.00	30,712.50	90,712.50
06/30/2036	60,000.00	28,912.50	88,912.50
06/30/2037	60,000.00	27,112.50	87,112.50
06/30/2038	65,000.00	25,237.50	90,237.50
06/30/2039	65,000.00	23,246.88	88,246.88
06/30/2040	70,000.00	21,137.51	91,137.51
06/30/2041	70,000.00	18,950.01	88,950.01
06/30/2042	70,000.00	16,762.51	86,762.51
06/30/2043	75,000.00	14,496.88	89,496.88
06/30/2044	75,000.00	12,106.25	87,106.25
06/30/2045	80,000.00	9,587.50	89,587.50
06/30/2046	80,000.00	6,987.50	86,987.50
06/30/2047	85,000.00	4,306.25	89,306.25
06/30/2048	90,000.00	1,462.50	91,462.50
<b>Total</b>	<b>\$3,668,366.88</b>	<b>\$1,064,740.01</b>	<b>\$4,733,106.89</b>

**Par Amounts Of Selected Issues**

February 15 1984 Water FHA (O).....	48,115.70
July 24 2003 MWPAT 00-1001 (OE).....	32,707.18
November 16 2005 MWPAT 00-1001-1 (OE).....	72,544.00
February 23 2012 -Adv Ref of 9 1 02 - Public Safety Complex (I).....	810,000.00
February 23 2012 -Adv Ref of 9 1 02 - Land Acquisition I (I).....	90,000.00
February 23 2012 -Adv Ref of 9 1 02 - Land Acquisition II (IE).....	720,000.00
February 23 2012 -Adv Ref of 5 1 03 - Land Acquisition (IE).....	195,000.00
September 28 2017 Water Tank (O).....	1,700,000.00
<b>TOTAL.....</b>	<b>3,668,366.88</b>

2

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# TOWN OF WEST NEWBURY, MASSACHUSETTS

*Principal Payments Made During FY 2018*

## Aggregate Principal Payments

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Date	Issue : Purpose	Principal
07/15/2017	November 16 2005 MWPAT 00-1001-1 (OE)	10,363.00
Subtotal		\$10,363.00
09/01/2017	February 23 2012 : Adv Ref of 9 1 02 - Public Safety Complex (I)	175,000.00
	February 23 2012 : Adv Ref of 9 1 02 - Land Acquisition I (I)	30,000.00
	February 23 2012 : Adv Ref of 9 1 02 - Land Acquisition II (IE)	135,000.00
	February 23 2012 : Adv Ref of 9 1 02 - Recreation I (IE)	5,000.00
	February 23 2012 : Adv Ref of 9 1 02 - Recreation II (IE)	25,000.00
	February 23 2012 : Adv Ref of 5 1 03 - Land Acquisition (IE)	100,000.00
Subtotal		\$470,000.00
02/01/2018	July 24 2003 MWPAT 00-1001 (OE)	10,828.73
Subtotal		\$10,828.73
02/15/2018	February 15 1984 Water FHA (O)	12,028.95
Subtotal		\$12,028.95
Total		\$503,220.68

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3

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# TOWN OF WEST NEWBURY, MASSACHUSETTS

Interest Payments Made During FY 2018

## Aggregate Interest Payments

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Date	Issue : Purpose	Interest
08/01/2017	July 24 2003 MWPAT 00-1001 (OE)	1,101.93
Subtotal		\$1,101.93
08/15/2017	February 15 1984 Water FHA (O)	1,503.62
Subtotal		\$1,503.62
09/01/2017	February 23 2012 : Adv Ref of 9 1 02 - Public Safety Complex (I)	9,850.00
	February 23 2012 : Adv Ref of 9 1 02 - Land Acquisition I (I)	1,200.00
	February 23 2012 : Adv Ref of 9 1 02 - Land Acquisition II (IE)	8,550.00
	February 23 2012 : Adv Ref of 9 1 02 - Recreation I (IE)	50.00
	February 23 2012 : Adv Ref of 9 1 02 - Recreation II (IE)	250.00
	February 23 2012 : Adv Ref of 5 1 03 - Land Acquisition (IE)	2,950.00
Subtotal		\$22,850.00
02/01/2018	July 24 2003 MWPAT 00-1001 (OE)	1,101.93
Subtotal		\$1,101.93
02/15/2018	February 15 1984 Water FHA (O)	1,503.62
Subtotal		\$1,503.62
03/01/2018	February 23 2012 : Adv Ref of 9 1 02 - Public Safety Complex (I)	8,100.00
	February 23 2012 : Adv Ref of 9 1 02 - Land Acquisition I (I)	900.00
	February 23 2012 : Adv Ref of 9 1 02 - Land Acquisition II (IE)	7,200.00
	February 23 2012 : Adv Ref of 5 1 03 - Land Acquisition (IE)	1,950.00
Subtotal		\$18,150.00
03/15/2018	September 28 2017 Water Tank (O)	27,862.33
Subtotal		\$27,862.33
Total		\$74,073.43

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4

**TOWN OF WEST NEWBURY, MASSACHUSETTS**

\$457,100 Farmer's Home Administration Loan

Dated: February 15, 1984

Water (Outside the Debt Limit)

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/15/1984	-	-	-	-	-
08/15/1984	-	-	11,427.50	11,427.50	-
02/15/1985	12,028.95	5.000%	11,427.50	23,456.45	-
06/30/1985	-	-	-	-	34,883.95
08/15/1985	-	-	11,126.78	11,126.78	-
02/15/1986	12,028.95	5.000%	11,126.78	23,155.73	-
06/30/1986	-	-	-	-	34,282.51
08/15/1986	-	-	10,826.05	10,826.05	-
02/15/1987	12,028.95	5.000%	10,826.05	22,855.00	-
06/30/1987	-	-	-	-	33,681.05
02/15/1988	12,028.95	5.000%	10,525.33	22,554.28	-
06/30/1988	-	-	-	-	33,079.61
08/15/1988	-	-	10,224.61	10,224.61	-
02/15/1989	12,028.95	5.000%	10,224.61	22,253.56	-
06/30/1989	-	-	-	-	32,478.17
08/15/1989	-	-	9,923.88	9,923.88	-
02/15/1990	12,028.95	5.000%	9,923.88	21,952.83	-
06/30/1990	-	-	-	-	31,876.71
08/15/1990	-	-	9,623.16	9,623.16	-
02/15/1991	12,028.95	5.000%	9,623.16	21,652.11	-
06/30/1991	-	-	-	-	31,275.27
08/15/1991	-	-	9,322.43	9,322.43	-
02/15/1992	12,028.95	5.000%	9,322.43	21,351.38	-
06/30/1992	-	-	-	-	30,673.81
08/15/1992	-	-	9,021.71	9,021.71	-
02/15/1993	12,028.95	5.000%	9,021.71	21,050.66	-
06/30/1993	-	-	-	-	30,072.37
08/15/1993	-	-	8,720.99	8,720.99	-
02/15/1994	12,028.95	5.000%	8,720.99	20,749.94	-
06/30/1994	-	-	-	-	29,470.93
08/15/1994	-	-	8,420.26	8,420.26	-
02/15/1995	12,028.95	5.000%	8,420.26	20,449.21	-
06/30/1995	-	-	-	-	28,869.47
08/15/1995	-	-	8,119.54	8,119.54	-
02/15/1996	12,028.95	5.000%	8,119.54	20,148.49	-
06/30/1996	-	-	-	-	28,268.03
08/15/1996	-	-	7,818.82	7,818.82	-
02/15/1997	12,028.95	5.000%	7,818.82	19,847.77	-
06/30/1997	-	-	-	-	27,666.59
08/15/1997	-	-	7,518.09	7,518.09	-
02/15/1998	12,028.95	5.000%	7,518.09	19,547.04	-
06/30/1998	-	-	-	-	27,065.13
08/15/1998	-	-	7,217.37	7,217.37	-
02/15/1999	12,028.95	5.000%	7,217.37	19,246.32	-
06/30/1999	-	-	-	-	26,463.69
08/15/1999	-	-	6,916.64	6,916.64	-
02/15/2000	12,028.95	5.000%	6,916.64	18,945.59	-
06/30/2000	-	-	-	-	25,862.23
08/15/2000	-	-	6,615.92	6,615.92	-
02/15/2001	12,028.95	5.000%	6,615.92	18,644.87	-
06/30/2001	-	-	-	-	25,260.79
08/15/2001	-	-	6,315.20	6,315.20	-
02/15/2002	12,028.95	5.000%	6,315.20	18,344.15	-
06/30/2002	-	-	-	-	24,659.35
08/15/2002	-	-	6,014.47	6,014.47	-
02/15/2003	12,028.95	5.000%	6,014.47	18,043.42	-
06/30/2003	-	-	-	-	24,057.89
08/15/2003	-	-	5,713.75	5,713.75	-
02/15/2004	12,028.95	5.000%	5,713.75	17,742.70	-
06/30/2004	-	-	-	-	23,456.45
08/15/2004	-	-	5,413.03	5,413.03	-
02/15/2005	12,028.95	5.000%	5,413.03	17,441.98	-
06/30/2005	-	-	-	-	22,855.01
08/15/2005	-	-	5,112.30	5,112.30	-
02/15/2006	12,028.95	5.000%	5,112.30	17,141.25	-
06/30/2006	-	-	-	-	22,253.55
08/15/2006	-	-	4,811.58	4,811.58	-
02/15/2007	12,028.95	5.000%	4,811.58	16,840.53	-
06/30/2007	-	-	-	-	21,652.11
08/15/2007	-	-	4,510.85	4,510.85	-
02/15/2008	12,028.95	5.000%	4,510.85	16,539.80	-
06/30/2008	-	-	-	-	21,050.65
08/15/2008	-	-	4,210.13	4,210.13	-
02/15/2009	12,028.95	5.000%	4,210.13	16,239.08	-
06/30/2009	-	-	-	-	20,449.21
08/15/2009	-	-	3,909.41	3,909.41	-
02/15/2010	12,028.95	5.000%	3,909.41	15,938.36	-
06/30/2010	-	-	-	-	19,847.77
08/15/2010	-	-	3,608.68	3,608.68	-
02/15/2011	12,028.95	5.000%	3,608.68	15,637.63	-
06/30/2011	-	-	-	-	19,246.31
08/15/2011	-	-	3,307.96	3,307.96	-
02/15/2012	12,028.95	5.000%	3,307.96	15,336.91	-
06/30/2012	-	-	-	-	18,644.87
08/15/2012	-	-	3,007.24	3,007.24	-
02/15/2013	12,028.95	5.000%	3,007.24	15,036.19	-
06/30/2013	-	-	-	-	18,043.43
08/15/2013	-	-	2,706.51	2,706.51	-
02/15/2014	12,028.95	5.000%	2,706.51	14,735.46	-
06/30/2014	-	-	-	-	17,441.97
08/15/2014	-	-	2,405.79	2,405.79	-
02/15/2015	12,028.95	5.000%	2,405.79	14,434.74	-
06/30/2015	-	-	-	-	16,840.53
08/15/2015	-	-	2,105.06	2,105.06	-
02/15/2016	12,028.95	5.000%	2,105.06	14,134.01	-
06/30/2016	-	-	-	-	16,239.07
08/15/2016	-	-	1,804.34	1,804.34	-
02/15/2017	12,028.95	5.000%	1,804.34	13,833.29	-
06/30/2017	-	-	-	-	15,637.63
08/15/2017	-	-	1,503.62	1,503.62	-
02/15/2018	12,028.95	5.000%	1,503.62	13,532.57	-
06/30/2018	-	-	-	-	15,036.19
08/15/2018	-	-	1,202.89	1,202.89	-
02/15/2019	12,028.95	5.000%	1,202.89	13,231.84	-
06/30/2019	-	-	-	-	14,434.73
08/15/2019	-	-	902.17	902.17	-
02/15/2020	12,028.95	5.000%	902.17	12,931.12	-
06/30/2020	-	-	-	-	13,833.29
08/15/2020	-	-	601.45	601.45	-
02/15/2021	12,028.95	5.000%	601.45	12,630.40	-
06/30/2021	-	-	-	-	13,231.85
08/15/2021	-	-	300.72	300.72	-
02/15/2022	12,028.85	5.000%	300.72	12,329.57	-
06/30/2022	-	-	-	-	12,630.29
<b>Total</b>	<b>\$457,100.00</b>	<b>-</b>	<b>\$445,672.46</b>	<b>\$902,772.46</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars.....	\$8,913.45
Average Life.....	19.500 Years
Average Coupon.....	5.0000006%
Net Interest Cost (NIC).....	5.0000006%
True Interest Cost (TIC).....	5.0000005%
Bond Yield for Arbitrage Purposes.....	5.0000005%
All Inclusive Cost (AIC).....	5.0000005%
<b>IRS Form 8038</b>	
Net Interest Cost.....	5.0000006%
Weighted Average Maturity.....	19.500 Years

**Town of West Newbury, Massachusetts**

\$195,089 MA Water Pollution Abatement Loan

Dated : July 24, 2003

Title V, series 7 00-1001

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/24/2003	-	-	-	-	-
02/01/2004	10,852.24	3.300%	4,662.69	15,514.93	-
06/30/2004	-	-	-	-	15,514.93
08/01/2004	-	-	4,483.62	4,483.62	-
02/01/2005	10,852.24	3.500%	4,483.62	15,335.86	-
06/30/2005	-	-	-	-	19,819.48
08/01/2005	-	-	4,293.71	4,293.71	-
02/01/2006	10,852.24	4.000%	4,293.71	15,145.95	-
06/30/2006	-	-	-	-	19,439.66
08/01/2006	-	-	4,076.67	4,076.67	-
02/01/2007	10,852.24	4.000%	4,076.67	14,928.91	-
06/30/2007	-	-	-	-	19,005.58
08/01/2007	-	-	3,859.62	3,859.62	-
02/01/2008	10,852.24	4.000%	3,859.62	14,711.86	-
06/30/2008	-	-	-	-	18,571.48
08/01/2008	-	-	3,642.58	3,642.58	-
02/01/2009	10,852.24	5.250%	3,642.58	14,494.82	-
06/30/2009	-	-	-	-	18,137.40
08/01/2009	-	-	3,357.70	3,357.70	-
02/01/2010	10,852.24	5.250%	3,357.70	14,209.94	-
06/30/2010	-	-	-	-	17,567.64
08/01/2010	-	-	3,072.83	3,072.83	-
02/01/2011	10,614.98	5.000%	3,072.83	13,687.81	-
06/30/2011	-	-	-	-	16,760.64
08/01/2011	-	-	2,807.46	2,807.46	-
02/01/2012	10,828.73	5.250%	2,807.46	13,636.19	-
06/30/2012	-	-	-	-	16,443.65
08/01/2012	-	-	2,523.20	2,523.20	-
02/01/2013	10,828.73	5.250%	2,523.20	13,351.93	-
06/30/2013	-	-	-	-	15,875.13
08/01/2013	-	-	2,238.95	2,238.95	-
02/01/2014	10,828.73	5.250%	2,238.95	13,067.68	-
06/30/2014	-	-	-	-	15,306.63
08/01/2014	-	-	1,954.70	1,954.70	-
02/01/2015	10,828.73	5.250%	1,954.70	12,783.43	-
06/30/2015	-	-	-	-	14,738.13
08/01/2015	-	-	1,670.44	1,670.44	-
02/01/2016	10,828.73	5.250%	1,670.44	12,499.17	-
06/30/2016	-	-	-	-	14,169.61
08/01/2016	-	-	1,386.19	1,386.19	-
02/01/2017	10,828.73	5.250%	1,386.19	12,214.92	-
06/30/2017	-	-	-	-	13,601.11
08/01/2017	-	-	1,101.93	1,101.93	-
02/01/2018	10,828.73	5.250%	1,101.93	11,930.66	-
06/30/2018	-	-	-	-	13,032.59
08/01/2018	-	-	817.68	817.68	-
02/01/2019	10,828.73	5.000%	817.68	11,646.41	-
06/30/2019	-	-	-	-	12,464.09
08/01/2019	-	-	546.96	546.96	-
02/01/2020	10,828.73	5.000%	546.96	11,375.69	-
06/30/2020	-	-	-	-	11,922.65
08/01/2020	-	-	276.24	276.24	-
02/01/2021	11,049.72	5.000%	276.24	11,325.96	-
06/30/2021	-	-	-	-	11,602.20
<b>Total</b>	<b>\$195,088.95</b>	<b>-</b>	<b>\$88,883.65</b>	<b>\$283,972.60</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars.....	\$1,760.89
Average Life.....	9.026 Years
Average Coupon.....	5.0579581%
Net Interest Cost (NIC).....	5.0579581%
True Interest Cost (TIC).....	5.0413031%
Bond Yield for Arbitrage Purposes.....	5.0413031%
All Inclusive Cost (AIC).....	0.0103032%

**IRS Form 8038**

Net Interest Cost.....	5.0579581%
Weighted Average Maturity.....	9.026 Years

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## Town of West Newbury, Massachusetts

\$196,900 MA Water Pollution Abatement Loan

Dated : October 31, 2005

Pool 11 Title V, series 7 00-1001-1

### Debt Service Schedule

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Date	Principal	Coupon	Total P+I	Fiscal Total
10/31/2005	-	-	-	-
07/15/2006	10,363.00	-	10,363.00	-
06/30/2007	-	-	-	10,363.00
07/15/2007	10,363.00	-	10,363.00	-
06/30/2008	-	-	-	10,363.00
07/15/2008	10,363.00	-	10,363.00	-
06/30/2009	-	-	-	10,363.00
07/15/2009	10,363.00	-	10,363.00	-
06/30/2010	-	-	-	10,363.00
07/15/2010	10,363.00	-	10,363.00	-
06/30/2011	-	-	-	10,363.00
07/15/2011	10,363.00	-	10,363.00	-
06/30/2012	-	-	-	10,363.00
07/15/2012	10,363.00	-	10,363.00	-
06/30/2013	-	-	-	10,363.00
07/15/2013	10,363.00	-	10,363.00	-
06/30/2014	-	-	-	10,363.00
07/15/2014	10,363.00	-	10,363.00	-
06/30/2015	-	-	-	10,363.00
07/15/2015	10,363.00	-	10,363.00	-
06/30/2016	-	-	-	10,363.00
07/15/2016	10,363.00	-	10,363.00	-
06/30/2017	-	-	-	10,363.00
07/15/2017	10,363.00	-	10,363.00	-
06/30/2018	-	-	-	10,363.00
07/15/2018	10,363.00	-	10,363.00	-
06/30/2019	-	-	-	10,363.00
07/15/2019	10,363.00	-	10,363.00	-
06/30/2020	-	-	-	10,363.00
07/15/2020	10,363.00	-	10,363.00	-
06/30/2021	-	-	-	10,363.00
07/15/2021	10,363.00	-	10,363.00	-
06/30/2022	-	-	-	10,363.00
07/15/2022	10,364.00	-	10,364.00	-
06/30/2023	-	-	-	10,364.00
07/15/2023	10,364.00	-	10,364.00	-
06/30/2024	-	-	-	10,364.00
07/15/2024	10,364.00	-	10,364.00	-
06/30/2025	-	-	-	10,364.00
Total	\$196,900.00	-	\$196,900.00	-

#### Yield Statistics

Bond Year Dollars.....	\$1,911.59
Average Life.....	9.708 Years
Average Coupon.....	-
Net Interest Cost (NIC).....	-
True Interest Cost (TIC).....	-1.20E-11
Bond Yield for Arbitrage Purposes.....	-1.20E-11
All Inclusive Cost (AIC).....	-1.20E-11

#### IRS Form 8038

Net Interest Cost.....	-
Weighted Average Maturity.....	9.708 Years

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Hilltop Securities Inc.

Public Finance

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## TOWN OF WEST NEWBURY, MASSACHUSETTS

\$1,726,790 General Obligation Refunding Bonds, Dated: February 23, 2012

Adv Ref of 9 1 02 - Public Safety Complex (I)

### Debt Service Schedule

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Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/23/2012	-	-	-	-	-
09/01/2012	12,340.00	2.000%	20,878.60	33,218.60	-
03/01/2013	-	-	19,866.75	19,866.75	-
06/30/2013	-	-	-	-	53,085.35
09/01/2013	185,000.00	2.000%	19,866.75	204,866.75	-
03/01/2014	-	-	18,016.75	18,016.75	-
06/30/2014	-	-	-	-	222,883.50
09/01/2014	184,450.00	3.000%	18,016.75	202,466.75	-
03/01/2015	-	-	15,250.00	15,250.00	-
06/30/2015	-	-	-	-	217,716.75
09/01/2015	180,000.00	3.000%	15,250.00	195,250.00	-
03/01/2016	-	-	12,550.00	12,550.00	-
06/30/2016	-	-	-	-	207,800.00
09/01/2016	180,000.00	3.000%	12,550.00	192,550.00	-
03/01/2017	-	-	9,850.00	9,850.00	-
06/30/2017	-	-	-	-	202,400.00
09/01/2017	175,000.00	2.000%	9,850.00	184,850.00	-
03/01/2018	-	-	8,100.00	8,100.00	-
06/30/2018	-	-	-	-	192,950.00
09/01/2018	170,000.00	2.000%	8,100.00	178,100.00	-
03/01/2019	-	-	6,400.00	6,400.00	-
06/30/2019	-	-	-	-	184,500.00
09/01/2019	170,000.00	2.000%	6,400.00	176,400.00	-
03/01/2020	-	-	4,700.00	4,700.00	-
06/30/2020	-	-	-	-	181,100.00
09/01/2020	165,000.00	2.000%	4,700.00	169,700.00	-
03/01/2021	-	-	3,050.00	3,050.00	-
06/30/2021	-	-	-	-	172,750.00
09/01/2021	160,000.00	2.000%	3,050.00	163,050.00	-
03/01/2022	-	-	1,450.00	1,450.00	-
06/30/2022	-	-	-	-	164,500.00
09/01/2022	145,000.00	2.000%	1,450.00	146,450.00	-
06/30/2023	-	-	-	-	146,450.00
Total	\$1,726,790.00	-	\$219,345.60	\$1,946,135.60	-

#### Yield Statistics

Bond Year Dollars.....	\$10,010.67
Average Life.....	5.797 Years
Average Coupon.....	2.1911185%
Net Interest Cost (NIC).....	1.4306494%
True Interest Cost (TIC).....	1.3938645%
Bond Yield for Arbitrage Purposes.....	1.2208202%
All Inclusive Cost (AIC).....	1.6339159%

#### IRS Form 8038

Net Interest Cost.....	1.2942185%
Weighted Average Maturity.....	5.766 Years

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## TOWN OF WEST NEWBURY, MASSACHUSETTS

\$243,500 General Obligation Refunding Bonds, Dated: February 23, 2012

Adv Ref of 9 1 02 - Land Acquisition I (I)

### Debt Service Schedule

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Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/23/2012	-	-	-	-	-
09/01/2012	3,500.00	2.000%	3,013.22	6,513.22	-
03/01/2013	-	-	2,850.00	2,850.00	-
06/30/2013	-	-	-	-	9,363.22
09/01/2013	30,000.00	2.000%	2,850.00	32,850.00	-
03/01/2014	-	-	2,550.00	2,550.00	-
06/30/2014	-	-	-	-	35,400.00
09/01/2014	30,000.00	3.000%	2,550.00	32,550.00	-
03/01/2015	-	-	2,100.00	2,100.00	-
06/30/2015	-	-	-	-	34,650.00
09/01/2015	30,000.00	3.000%	2,100.00	32,100.00	-
03/01/2016	-	-	1,650.00	1,650.00	-
06/30/2016	-	-	-	-	33,750.00
09/01/2016	30,000.00	3.000%	1,650.00	31,650.00	-
03/01/2017	-	-	1,200.00	1,200.00	-
06/30/2017	-	-	-	-	32,850.00
09/01/2017	30,000.00	2.000%	1,200.00	31,200.00	-
03/01/2018	-	-	900.00	900.00	-
06/30/2018	-	-	-	-	32,100.00
09/01/2018	30,000.00	2.000%	900.00	30,900.00	-
03/01/2019	-	-	600.00	600.00	-
06/30/2019	-	-	-	-	31,500.00
09/01/2019	30,000.00	2.000%	600.00	30,600.00	-
03/01/2020	-	-	300.00	300.00	-
06/30/2020	-	-	-	-	30,900.00
09/01/2020	30,000.00	2.000%	300.00	30,300.00	-
06/30/2021	-	-	-	-	30,300.00
<b>Total</b>	<b>\$243,500.00</b>	<b>-</b>	<b>\$27,313.22</b>	<b>\$270,813.22</b>	<b>-</b>

#### Yield Statistics

Bond Year Dollars.....	\$1,207.16
Average Life.....	4.958 Years
Average Coupon.....	2.2625994%

Net Interest Cost (NIC).....	1.2411019%
True Interest Cost (TIC).....	1.2040549%
Bond Yield for Arbitrage Purposes.....	1.2208202%
All Inclusive Cost (AIC).....	1.4796815%

#### IRS Form 8038

Net Interest Cost.....	1.0873549%
Weighted Average Maturity.....	4.954 Years

# TOWN OF WEST NEWBURY, MASSACHUSETTS

\$1,358,800 General Obligation Refunding Bonds, Dated: February 23, 2012

Adv Ref of 9 1 02 - Land Acquisition II (IE)

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/23/2012	-	-	-	-	-
09/01/2012	9,000.00	2.000%	16,150.24	25,150.24	-
03/01/2013	-	-	15,373.00	15,373.00	-
06/30/2013	-	-	-	-	40,523.24
09/01/2013	119,800.00	2.000%	15,373.00	135,173.00	-
03/01/2014	-	-	14,175.00	14,175.00	-
06/30/2014	-	-	-	-	149,348.00
09/01/2014	120,000.00	3.000%	14,175.00	134,175.00	-
03/01/2015	-	-	12,375.00	12,375.00	-
06/30/2015	-	-	-	-	146,550.00
09/01/2015	125,000.00	3.000%	12,375.00	137,375.00	-
03/01/2016	-	-	10,500.00	10,500.00	-
06/30/2016	-	-	-	-	147,875.00
09/01/2016	130,000.00	3.000%	10,500.00	140,500.00	-
03/01/2017	-	-	8,550.00	8,550.00	-
06/30/2017	-	-	-	-	149,050.00
09/01/2017	135,000.00	2.000%	8,550.00	143,550.00	-
03/01/2018	-	-	7,200.00	7,200.00	-
06/30/2018	-	-	-	-	150,750.00
09/01/2018	140,000.00	2.000%	7,200.00	147,200.00	-
03/01/2019	-	-	5,800.00	5,800.00	-
06/30/2019	-	-	-	-	153,000.00
09/01/2019	140,000.00	2.000%	5,800.00	145,800.00	-
03/01/2020	-	-	4,400.00	4,400.00	-
06/30/2020	-	-	-	-	150,200.00
09/01/2020	145,000.00	2.000%	4,400.00	149,400.00	-
03/01/2021	-	-	2,950.00	2,950.00	-
06/30/2021	-	-	-	-	152,350.00
09/01/2021	145,000.00	2.000%	2,950.00	147,950.00	-
03/01/2022	-	-	1,500.00	1,500.00	-
06/30/2022	-	-	-	-	149,450.00
09/01/2022	150,000.00	2.000%	1,500.00	151,500.00	-
06/30/2023	-	-	-	-	151,500.00
Total	\$1,358,800.00	-	\$181,796.24	\$1,540,596.24	-

### Yield Statistics

Bond Year Dollars.....	\$8,424.40
Average Life.....	6.200 Years
Average Coupon.....	2.1579737%
Net Interest Cost (NIC).....	1.4801677%
True Interest Cost (TIC).....	1.4445461%
Bond Yield for Arbitrage Purposes.....	1.2208202%
All Inclusive Cost (AIC).....	1.6702898%

### IRS Form 8038

Net Interest Cost.....	1.3501436%
Weighted Average Maturity.....	6.163 Years

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# TOWN OF WEST NEWBURY, MASSACHUSETTS

\$697,900 General Obligation Refunding Bonds, Dated: February 23, 2012

Adv Ref of 5 1 03 - Land Acquisition (IE)

## Debt Service Schedule

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Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/23/2012	-	-	-	-	-
09/01/2012	-	-	8,855.84	8,855.84	-
03/01/2013	-	-	8,479.00	8,479.00	-
06/30/2013	-	-	-	-	17,334.84
09/01/2013	102,900.00	2.000%	8,479.00	111,379.00	-
03/01/2014	-	-	7,450.00	7,450.00	-
06/30/2014	-	-	-	-	118,829.00
09/01/2014	100,000.00	3.000%	7,450.00	107,450.00	-
03/01/2015	-	-	5,950.00	5,950.00	-
06/30/2015	-	-	-	-	113,400.00
09/01/2015	100,000.00	3.000%	5,950.00	105,950.00	-
03/01/2016	-	-	4,450.00	4,450.00	-
06/30/2016	-	-	-	-	110,400.00
09/01/2016	100,000.00	3.000%	4,450.00	104,450.00	-
03/01/2017	-	-	2,950.00	2,950.00	-
06/30/2017	-	-	-	-	107,400.00
09/01/2017	100,000.00	2.000%	2,950.00	102,950.00	-
03/01/2018	-	-	1,950.00	1,950.00	-
06/30/2018	-	-	-	-	104,900.00
09/01/2018	100,000.00	2.000%	1,950.00	101,950.00	-
03/01/2019	-	-	950.00	950.00	-
06/30/2019	-	-	-	-	102,900.00
09/01/2019	95,000.00	2.000%	950.00	95,950.00	-
06/30/2020	-	-	-	-	95,950.00
Total	\$697,900.00	-	\$73,213.84	\$771,113.84	-

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### Yield Statistics

Bond Year Dollars.....	\$3,132.36
Average Life.....	4.488 Years
Average Coupon.....	2.3373388%
Net Interest Cost (NIC).....	1.1307683%
True Interest Cost (TIC).....	1.0946982%
Bond Yield for Arbitrage Purposes.....	1.2208202%
All Inclusive Cost (AIC).....	1.4093169%

### IRS Form 8038

Net Interest Cost.....	0.9685441%
Weighted Average Maturity.....	4.493 Years



**Town of West Newbury, Massachusetts**  
**\$1,700,000 General Obligation Water Bonds of 2017 Dated September 28, 2017**  
**Water Tank (O)**  
**Ch.44 s.8(4), auth. 4/24/2017, art. 8**

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/28/2017	-	-	-	-	-
03/15/2018	-	-	27,862.33	27,862.33	-
06/30/2018	-	-	-	-	27,862.33
09/15/2018	30,000.00	5.000%	30,031.25	60,031.25	-
03/15/2019	-	-	29,281.25	29,281.25	-
06/30/2019	-	-	-	-	89,312.50
09/15/2019	30,000.00	5.000%	29,281.25	59,281.25	-
03/15/2020	-	-	28,531.25	28,531.25	-
06/30/2020	-	-	-	-	87,812.50
09/15/2020	35,000.00	5.000%	28,531.25	63,531.25	-
03/15/2021	-	-	27,656.25	27,656.25	-
06/30/2021	-	-	-	-	91,187.50
09/15/2021	35,000.00	5.000%	27,656.25	62,656.25	-
03/15/2022	-	-	26,781.25	26,781.25	-
06/30/2022	-	-	-	-	89,437.50
09/15/2022	35,000.00	5.000%	26,781.25	61,781.25	-
03/15/2023	-	-	25,906.25	25,906.25	-
06/30/2023	-	-	-	-	87,687.50
09/15/2023	40,000.00	5.000%	25,906.25	65,906.25	-
03/15/2024	-	-	24,906.25	24,906.25	-
06/30/2024	-	-	-	-	90,812.50
09/15/2024	40,000.00	5.000%	24,906.25	64,906.25	-
03/15/2025	-	-	23,906.25	23,906.25	-
06/30/2025	-	-	-	-	88,812.50
09/15/2025	45,000.00	5.000%	23,906.25	68,906.25	-
03/15/2026	-	-	22,781.25	22,781.25	-
06/30/2026	-	-	-	-	91,687.50
09/15/2026	45,000.00	5.000%	22,781.25	67,781.25	-
03/15/2027	-	-	21,656.25	21,656.25	-
06/30/2027	-	-	-	-	89,437.50
09/15/2027	45,000.00	5.000%	21,656.25	66,656.25	-
03/15/2028	-	-	20,531.25	20,531.25	-
06/30/2028	-	-	-	-	87,187.50
09/15/2028	50,000.00	3.000%	20,531.25	70,531.25	-
03/15/2029	-	-	19,781.25	19,781.25	-
06/30/2029	-	-	-	-	90,312.50
09/15/2029	50,000.00	3.000%	19,781.25	69,781.25	-
03/15/2030	-	-	19,031.25	19,031.25	-
06/30/2030	-	-	-	-	88,812.50
09/15/2030	50,000.00	3.000%	19,031.25	69,031.25	-
03/15/2031	-	-	18,281.25	18,281.25	-
06/30/2031	-	-	-	-	87,312.50
09/15/2031	55,000.00	3.000%	18,281.25	73,281.25	-
03/15/2032	-	-	17,456.25	17,456.25	-
06/30/2032	-	-	-	-	90,737.50
09/15/2032	55,000.00	3.000%	17,456.25	72,456.25	-
03/15/2033	-	-	16,631.25	16,631.25	-
06/30/2033	-	-	-	-	89,087.50
09/15/2033	55,000.00	3.000%	16,631.25	71,631.25	-
03/15/2034	-	-	15,806.25	15,806.25	-
06/30/2034	-	-	-	-	87,437.50
09/15/2034	60,000.00	3.000%	15,806.25	75,806.25	-
03/15/2035	-	-	14,906.25	14,906.25	-
06/30/2035	-	-	-	-	90,712.50
09/15/2035	60,000.00	3.000%	14,906.25	74,906.25	-
03/15/2036	-	-	14,006.25	14,006.25	-
06/30/2036	-	-	-	-	88,912.50
09/15/2036	60,000.00	3.000%	14,006.25	74,006.25	-
03/15/2037	-	-	13,106.25	13,106.25	-
06/30/2037	-	-	-	-	87,112.50
09/15/2037	65,000.00	3.000%	13,106.25	78,106.25	-
03/15/2038	-	-	12,131.25	12,131.25	-
06/30/2038	-	-	-	-	90,237.50
09/15/2038	65,000.00	3.125%	12,131.25	77,131.25	-
03/15/2039	-	-	11,115.63	11,115.63	-
06/30/2039	-	-	-	-	88,246.88
09/15/2039	70,000.00	3.125%	11,115.63	81,115.63	-
03/15/2040	-	-	10,021.88	10,021.88	-
06/30/2040	-	-	-	-	91,137.51
09/15/2040	70,000.00	3.125%	10,021.88	80,021.88	-
03/15/2041	-	-	8,928.13	8,928.13	-
06/30/2041	-	-	-	-	88,950.01
09/15/2041	70,000.00	3.125%	8,928.13	78,928.13	-
03/15/2042	-	-	7,834.38	7,834.38	-
06/30/2042	-	-	-	-	86,762.51
09/15/2042	75,000.00	3.125%	7,834.38	82,834.38	-
03/15/2043	-	-	6,662.50	6,662.50	-
06/30/2043	-	-	-	-	89,496.88
09/15/2043	75,000.00	3.250%	6,662.50	81,662.50	-
03/15/2044	-	-	5,443.75	5,443.75	-
06/30/2044	-	-	-	-	87,106.25
09/15/2044	80,000.00	3.250%	5,443.75	85,443.75	-
03/15/2045	-	-	4,143.75	4,143.75	-
06/30/2045	-	-	-	-	89,587.50
09/15/2045	80,000.00	3.250%	4,143.75	84,143.75	-
03/15/2046	-	-	2,843.75	2,843.75	-
06/30/2046	-	-	-	-	86,987.50
09/15/2046	85,000.00	3.250%	2,843.75	87,843.75	-
03/15/2047	-	-	1,462.50	1,462.50	-
06/30/2047	-	-	-	-	89,306.25
09/15/2047	90,000.00	3.250%	1,462.50	91,462.50	-
06/30/2048	-	-	-	-	91,462.50
<b>Total</b>	<b>\$1,700,000.00</b>	<b>-</b>	<b>\$1,000,956.12</b>	<b>\$2,700,956.12</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars.....	\$30,583.61
Average Life.....	17.990 Years
Average Coupon.....	3.2728513%
Net Interest Cost (NIC).....	3.1485853%
True Interest Cost (TIC).....	3.1257264%
Bond Yield for Arbitrage Purposes.....	2.9609506%
All Inclusive Cost (AIC).....	3.2984854%
<b>IRS Form 8038</b>	
Net Interest Cost.....	2.9788377%
Weighted Average Maturity.....	17.506 Years

A

Massachusetts Water Pollution Abatement Trust  
 Water Pollution Abatement and Drinking Water Revenue Bonds  
 (Pool Program Bonds)

SCHEDULE C

Series 7

West Newbury  
 00-1001

Final Structuring Analysis

Schedule of Loan Repayments

Initial Loan Obligation:		195,088.95								
Scheduled Loan Repayments				Loan Subsidy Amounts			Net Loan Repayments			
Date	Principal	Interest	Total	Equity Earnings	Contract Assistance Payments	Total	Principal	Interest	Total	
24-Jul-03										
2/1/2004	10,852.24	4,662.69	15,514.93	2,258.50	2,404.19	4,662.69	10,852.24	-	10,852.24	
8/1/2004	-	4,483.62	4,483.62	2,132.86	2,350.76	4,483.62	-	-	-	
2/1/2005	10,852.24	4,483.62	15,335.86	2,132.86	2,350.76	4,483.62	10,852.24	-	10,852.24	
8/1/2005	-	4,293.71	4,293.71	2,007.23	2,286.48	4,293.71	-	-	-	
2/1/2006	10,852.24	4,293.71	15,145.95	2,007.23	2,286.48	4,293.71	10,852.24	-	10,852.24	
8/1/2006	-	4,076.67	4,076.67	1,881.60	2,195.07	4,076.67	-	-	-	
2/1/2007	10,852.24	4,076.67	14,928.91	1,881.60	2,195.07	4,076.67	10,852.24	-	10,852.24	
8/1/2007	-	3,859.62	3,859.62	1,755.96	2,103.66	3,859.62	-	-	-	
2/1/2008	10,852.24	3,859.62	14,711.86	1,755.96	2,103.66	3,859.62	10,852.24	-	10,852.24	
8/1/2008	-	3,642.58	3,642.58	1,630.33	2,012.25	3,642.58	-	-	-	
2/1/2009	10,852.24	3,642.58	14,494.82	1,630.33	2,012.25	3,642.58	10,852.24	-	10,852.24	
8/1/2009	-	3,357.70	3,357.70	1,504.69	1,853.01	3,357.70	-	-	-	
2/1/2010	10,852.24	3,357.70	14,209.94	1,504.69	1,853.01	3,357.70	10,852.24	-	10,852.24	
8/1/2010	-	3,072.83	3,072.83	1,379.06	1,693.77	3,072.83	-	-	-	
2/1/2011	10,614.98	3,072.83	13,687.81	1,379.06	1,693.77	3,072.83	10,614.98	-	10,614.98	
8/1/2011	-	2,807.46	2,807.46	1,256.17	1,551.29	2,807.46	-	-	-	
2/1/2012	10,828.73	2,807.46	13,636.19	1,256.17	1,551.29	2,807.46	10,828.73	-	10,828.73	
8/1/2012	-	2,523.20	2,523.20	1,130.81	1,392.39	2,523.20	-	-	-	
2/1/2013	10,828.73	2,523.20	13,351.93	1,130.81	1,392.39	2,523.20	10,828.73	-	10,828.73	
8/1/2013	-	2,238.95	2,238.95	1,005.45	1,233.50	2,238.95	-	-	-	
2/1/2014	10,828.73	2,238.95	13,067.68	1,005.45	1,233.50	2,238.95	10,828.73	-	10,828.73	
8/1/2014	-	1,954.70	1,954.70	880.09	1,074.61	1,954.70	-	-	-	
2/1/2015	10,828.73	1,954.70	12,783.43	880.09	1,074.61	1,954.70	10,828.73	-	10,828.73	
8/1/2015	-	1,670.44	1,670.44	754.73	915.71	1,670.44	-	-	-	
2/1/2016	10,828.73	1,670.44	12,499.17	754.73	915.71	1,670.44	10,828.73	-	10,828.73	
8/1/2016	-	1,386.19	1,386.19	629.37	756.82	1,386.19	-	-	-	
2/1/2017	10,828.73	1,386.19	12,214.92	629.37	756.82	1,386.19	10,828.73	-	10,828.73	
8/1/2017	-	1,101.93	1,101.93	504.00	597.93	1,101.93	-	-	-	
2/1/2018	10,828.73	1,101.93	11,930.66	504.00	597.93	1,101.93	10,828.73	-	10,828.73	
8/1/2018	-	817.68	817.68	378.64	439.04	817.68	-	-	-	
2/1/2019	10,828.73	817.68	11,646.41	378.64	439.04	817.68	10,828.73	-	10,828.73	
8/1/2019	-	546.96	546.96	253.28	293.68	546.96	-	-	-	
2/1/2020	10,828.73	546.96	11,375.69	253.28	293.68	546.96	10,828.73	-	10,828.73	
8/1/2020	-	276.24	276.24	127.92	148.32	276.24	-	-	-	
2/1/2021	11,049.72	276.24	11,325.96	127.92	148.32	276.24	11,049.72	-	11,049.72	
8/1/2021	-	-	-	-	-	-	-	-	-	
2/1/2022	-	-	-	-	-	-	-	-	-	
8/1/2022	-	-	-	-	-	-	-	-	-	
<b>195,088.95</b>	<b>88,883.65</b>	<b>283,972.60</b>	<b>40,682.88</b>	<b>48,200.77</b>	<b>88,883.65</b>	<b>195,088.95</b>	<b>195,088.95</b>	<b>-</b>	<b>195,088.95</b>	

**SCHEDULE C**

Massachusetts Water Pollution Abatement Trust  
 Water Pollution Abatement and Drinking Water Revenue Bonds  
 (Pool Program Bonds)

Pool Program Bonds, Pool 11

West Newbury 2nd  
 T5-00-1001-1

Loan Interest Rate 0.00%

Final Structuring Analysis

**Schedule of Loan Repayments**

Initial Loan Obligation: \$196,900.00

Date	Schedule of Loan Repayments			Admin. Fee 0.07500%	Loan Origination Fee	Total Due
	Principal	Interest	Total			
16-Nov-05						
15-Jul-06	\$10,363.00	\$0.00	\$10,363.00	\$147.68	0.00	\$10,510.68
15-Jan-07	0.00	0.00	0.00	139.90		139.90
15-Jul-07	10,363.00	0.00	10,363.00	139.90		10,502.90
15-Jan-08	0.00	0.00	0.00	132.13		132.13
15-Jul-08	10,363.00	0.00	10,363.00	132.13		10,495.13
15-Jan-09	0.00	0.00	0.00	124.36		124.36
15-Jul-09	10,363.00	0.00	10,363.00	124.36		10,487.36
15-Jan-10	0.00	0.00	0.00	116.59		116.59
15-Jul-10	10,363.00	0.00	10,363.00	116.59		10,479.59
15-Jan-11	0.00	0.00	0.00	108.81		108.81
15-Jul-11	10,363.00	0.00	10,363.00	108.81		10,471.81
15-Jan-12	0.00	0.00	0.00	101.04		101.04
15-Jul-12	10,363.00	0.00	10,363.00	101.04		10,464.04
15-Jan-13	0.00	0.00	0.00	93.27		93.27
15-Jul-13	10,363.00	0.00	10,363.00	93.27		10,456.27
15-Jan-14	0.00	0.00	0.00	85.50		85.50
15-Jul-14	10,363.00	0.00	10,363.00	85.50		10,448.50
15-Jan-15	0.00	0.00	0.00	77.72		77.72
15-Jul-15	10,363.00	0.00	10,363.00	77.72		10,440.72
15-Jan-16	0.00	0.00	0.00	69.95		69.95
15-Jul-16	10,363.00	0.00	10,363.00	69.95		10,432.95
15-Jan-17	0.00	0.00	0.00	62.18		62.18
15-Jul-17	10,363.00	0.00	10,363.00	62.18		10,425.18
15-Jan-18	0.00	0.00	0.00	54.41		54.41
15-Jul-18	10,363.00	0.00	10,363.00	54.41		10,417.41
15-Jan-19	0.00	0.00	0.00	46.64		46.64
15-Jul-19	10,363.00	0.00	10,363.00	46.64		10,409.64
15-Jan-20	0.00	0.00	0.00	38.86		38.86
15-Jul-20	10,363.00	0.00	10,363.00	38.86		10,401.86
15-Jan-21	0.00	0.00	0.00	31.09		31.09
15-Jul-21	10,363.00	0.00	10,363.00	31.09		10,394.09
15-Jan-22	0.00	0.00	0.00	23.32		23.32
15-Jul-22	10,364.00	0.00	10,364.00	23.32		10,387.32
15-Jan-23	0.00	0.00	0.00	15.55		15.55
15-Jul-23	10,364.00	0.00	10,364.00	15.55		10,379.55
15-Jan-24	0.00	0.00	0.00	7.77		7.77
15-Jul-24	10,364.00	0.00	10,364.00	7.77		10,371.77
15-Jan-25	0.00	0.00	0.00	0.00		0.00
15-Jul-25	0.00	0.00	0.00	0.00		0.00
15-Jan-26	0.00	0.00	0.00	0.00		0.00
15-Jul-26	0.00	0.00	0.00	0.00		0.00
15-Jan-27	0.00	0.00	0.00	0.00		0.00
15-Jul-27	0.00	0.00	0.00	0.00		0.00
15-Jan-28	0.00	0.00	0.00	0.00		0.00
15-Jul-28	0.00	0.00	0.00	0.00		0.00
15-Jan-29	0.00	0.00	0.00	0.00		0.00
15-Jul-29	0.00	0.00	0.00	0.00		0.00
15-Jan-30	0.00	0.00	0.00	0.00		0.00
15-Jul-30	0.00	0.00	0.00	0.00		0.00
15-Jan-31	0.00	0.00	0.00	0.00		0.00
15-Jul-31	0.00	0.00	0.00	0.00		0.00
15-Jan-32	0.00	0.00	0.00	0.00		0.00
15-Jul-32	0.00	0.00	0.00	0.00		0.00
15-Jan-33	0.00	0.00	0.00	0.00		0.00
15-Jul-33	0.00	0.00	0.00	0.00		0.00
15-Jan-34	0.00	0.00	0.00	0.00		0.00
15-Jul-34	0.00	0.00	0.00	0.00		0.00
15-Jan-35	0.00	0.00	0.00	0.00		0.00
15-Jul-35	0.00	0.00	0.00	0.00		0.00
15-Jan-36	0.00	0.00	0.00	0.00		0.00
15-Jul-36	0.00	0.00	0.00	0.00		0.00
15-Jan-37	0.00	0.00	0.00	0.00		0.00
	\$196,900.00	\$0.00	\$196,900.00	\$2,805.86	\$0.00	\$199,705.86



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

500 West Cummings Park  
Suite 4900  
Woburn, MA 01801

Telephone: (781) 933-0073

[www.roselliclark.com](http://www.roselliclark.com)

April 5, 2019

Town of West Newbury, MA  
Attn: Honorable Board of Selectmen  
West Newbury, MA

We are pleased to confirm the understanding of the services we are to provide for the Town of West Newbury, Massachusetts, for the years ended June 30, 2019, 2020 and 2021. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Town of West Newbury, Massachusetts, as of and for the year ended June 30, 2019, 2020 and 2021.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of West Newbury, Massachusetts' basic financial statements. Such information, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

As part of our engagement, we will apply certain limited procedures to the Town of West Newbury, Massachusetts' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by generally accepted accounting principles will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedules
3. Schedule of Town's Proportionate Share of Net Pension Liability
4. Schedule of Town's Contributions to Pension Plan
5. Schedule of Changes in Net OPEB Liability and Related Ratios
6. Schedule of Contributions to OPEB Plan
7. Schedule of Investment Returns – OPEB Plan

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles, and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on –

- Internal control related to the financial statements and compliance with provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance and, (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our reports will be addressed to the executive governing board of the Town of West Newbury, Massachusetts. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

## **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our

attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities by generally accepted auditing standards.

### **Audit Procedures – Internal Controls**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of West Newbury, Massachusetts' compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Other Services**

We will also assist in preparing the financial statements, and related notes of the Town of West Newbury, Massachusetts in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

## **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements, and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as



your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information, and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines and may result in a delay or inability to complete the engagement within the established deadlines, if such cooperation or assistance is not provided by your key personnel.

We will provide copies of our reports for other entities as requested; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Roselli, Clark & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Roselli, Clark & Associates personnel or designee. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may

intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date, or for any additional period requested by the Cognizant or Oversight Agency for Audit, or pass-through entity.

We expect to begin this audit in April and will attempt to issue a final financial report by the end of May. This is assuming no unexpected occurrences beyond our control are present.

Terenzio Volpicelli, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Tony Roselli, CPA will be the concurring partner.

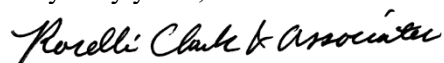
Our fee for these services will be at our standard hourly rates plus out-of-pocket costs, (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed **\$20,500**, for each of the years ended June 30, 2019, 2020 and 2021.

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. A copy of the peer review report can be viewed and obtained on our website at: [www.roselliclark.com](http://www.roselliclark.com).

We appreciate the opportunity to be of service to the Town of West Newbury, Massachusetts and believe that this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter please sign below and return it to us.

Very truly yours,



Roselli, Clark & Associates  
Certified Public Accountants

**Certification –**

Roselli, Clark and Associates hereby certifies that it is familiar with the provisions of M.G.L. c.268A, the Massachusetts Conflict of Interest Law, and it has no relationship that would constitute a violation of c.268A.

Roselli, Clark and Associates is independent with respect to the Town of West Newbury, Massachusetts in accordance with standards promulgated by the American Institute of Certified Public Accountants (AICPA) and Government Accountability Office (GAO).

**RESPONSE:**

This letter correctly sets forth the understanding of the Town of West Newbury, Massachusetts.

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Town Manager

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**From:** Michael Dwyer <mike@dwyernet.com>  
**Sent:** Thursday, April 18, 2019 10:27 AM  
**To:** Town Manager  
**Cc:** Michael McCarron; Michael Dwyer  
**Subject:** BOFE appointment

Angus,

Please consider me for another term as a member of the West Newbury Board of Fire Engineers.

Thank you,

Michael Dwyer

Sent from my iPhone

To: The Honorable Board of Selectmen

From: David Evans

Date: March 29, 2019

Re: Re-Appointment to the Board of Fire Engineers

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Good Afternoon Everyone,

I respectfully submit this letter to you as a candidate for re-appointment to the Board of Fire Engineers for the Town of West Newbury for the upcoming fiscal year. It has been a privilege to serve the Town of West Newbury in this capacity and work along side you to move the Fire Department forward. I believe I possess the necessary qualifications for this position including but not limited to: Public Safety Management skills, Fire & Life Safety skills, strong communication skills, intimate knowledge of the day to day operations of the Fire Department, budget & finance skills, thirty four years as a member of the community, passion and dedication to the West Newbury Fire department, as well as my multiple years on the Board of Fire Engineers.

I have continued to try and better myself and the fire department by completing a plethora of trainings, courses and credentialing's that will aid me in fulfilling the duties of being a member of the Board of Fire Engineers. This past summer I completed my course work and submittals to the Massachusetts Fire Services Commission and was awarded my Fire Chief Credentials for the Commonwealth of Massachusetts, as well as finishing the Fire Department Leadership Academy at Endicott College. I have also been working through the International Association of Fire Chiefs (IAFC) and have completed my Chief 101 course and their Administrative Leadership Series, as well as, courses in Fire Service Ethics, Leadership, Management and Behavioral Health & Fitness through the National Volunteer Fire Council and Leadership seminars through the Massachusetts Fire Academy.

I feel that my experience in education, administration, years in the fire service, and fiscal management of the fire department and the Massachusetts Fire Academy, makes me one of the strongest candidates for re-appointment to the Board of Fire Engineers.

It has been a privilege and an honor to serve the members of the fire department and the West Newbury community and I look forward to doing more in the future.

I appreciate your consideration and look forward to working with you.

Sincerely,

*David C. Evans*

David C. Evans

## Town Manager

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**From:** Jason Goldweber [REDACTED] >  
**Sent:** Tuesday, April 16, 2019 5:38 AM  
**To:** Town Manager  
**Cc:** Michael McCarron  
**Subject:** Board of Fire Engineers  
**Attachments:** Goldweber resume 2019 Non SY.doc; WN BoFE letter.docx

Town Manager and Clerk,

Attached you will find my letter of interest and resume for a position on the West Newbury Board of Fire Engineers. Please contact me if you need anything further or have any questions. Thank you.

Jason Goldweber  
[REDACTED]

Jason Goldweber  
561 Main Street  
West Newbury, Massachusetts 01985

April 15th, 2018

West Newbury Town Manager  
381 Main Street  
West Newbury, MA 01985

West Newbury Town Manager and Selectmen,

My name is Jason Goldweber and I have worked for the town since 2011. I am currently serving as a firefighter/first responder and one of the more senior firefighters on the department. I consider myself to be more active on the department than most people making approximately 100 calls per year. I tend to participate in almost all drills, trainings, and Fire Company meetings in addition to fundraisers, junior fire fighter trainings and other optional details. I would like to be considered for a seat on the Board of Fire Engineers for many reasons.

My primary reason for wishing to become a member of the Board of Fire Engineers would be to provide a voice from the ranking firefighters to the senior officers. Being a resident of the town, I would like to see the best fire service provided to the town and with my history working on (and with) other fire departments of similar size and demographics I feel that I would be of tremendous value to town as a board member. Both of the departments I have been previously affiliated with have done many things different than that of West Newbury and I believe that with a voice in the right venue I would be able to better influence positive changes in our fire department resulting in a better service to the community.

I have always and will always enjoy being part of a fire department, it's my personal way of giving back to the community I live in. Our West Newbury Fire Department has made tremendous strides over the last few years in regards to training, capital improvements, and recruiting mostly due to the work of the current Board of Fire Engineers and Board of Selectmen. It is my impression that as a adding myself to the board could be of benefit to the town as it doesn't cost anything to provide a more diverse viewpoint to the current board. If you would like to discuss my qualifications (see certifications on record) or dedication to the town further please do not hesitate to contact me.

Best Regards,

Jason Goldweber

Enclosure: Resume

**Professional Experience:**

Portsmouth Naval Shipyard <i>Engineering Technician</i>	Kittery, ME Sept 2018 to Present
<ul style="list-style-type: none"> <li>• Creating, writing, interpreting, and concurring on Task Group Instructions, AutoCAD drawings, prints, correspondence, and deficiency reports</li> <li>• Complex calculations for docking and undocking ships, including drafts, block loads, seismic calculations</li> <li>• Write/edit/ review results of ship specific test procedures (trim dive, displacement checks)</li> <li>• Produce/ review/ submit naval architectural reports in support of specific submarine availabilities/ projects such as final submarine equilibrium reports</li> <li>• Efficiently evaluating ships systems in regards to ballasting, docking/undocking and displacement</li> <li>• Collaborate with project team and ships officers to develop, brief, explain ballasting solutions for testing, complex evolutions, with multiple solutions based on naval standards/technical manuals</li> </ul>	
Portsmouth Naval Shipyard <i>Shipwright Supervisor</i>	Kittery, ME Sept 2018 to Present
<ul style="list-style-type: none"> <li>• Leading surveying, erecting, and maintaining ships cradle and scaffolding, woodworking</li> <li>• PNS GPS Program: Organizer, Implementation, Programming, Technical Writer</li> <li>• Chosen for survey work/docking/undocking on the USS Constitution</li> <li>• Recipient of numerous "On the Spot" awards (safety, innovations, timeliness, cost savings)</li> <li>• VPP Passport completed, Code 990 Shipwright Mentor, Lock Out Tag Plus</li> <li>• Participates in Shipyard Fire and Emergency Drills</li> </ul>	
Town of West Newbury <i>Firefighter/ First Responder</i>	West Newbury, MA 2011-Present
<ul style="list-style-type: none"> <li>• Emergency Responder (Fires, Medicals, CO, auto accidents, service) First Responder/CPR</li> <li>• Emergency Vehicle operator/engineer, community outreach and education, pre-planning</li> <li>• West Newbury Fire Company Officer (Clerk) (2014 – 2016) Vice President 2018-Present</li> </ul>	
Randolph County Schools <i>High School Science Teacher</i>	Randolph County, NC 2006 to 2011
<ul style="list-style-type: none"> <li>• Randolph County Schools Beginning Teacher of the Year Award 2006/2007</li> <li>• Supervised/Taught over 500 students Earth/Environmental Science &amp; Chemistry/Physics</li> <li>• Assisted in purchasing, planning, and opening science department at PGHS</li> </ul>	
Divers Alert Network <i>Divers Medical Technician</i>	Durham, NC Summers 2005 / 2006
<ul style="list-style-type: none"> <li>• Advised and assisted SCUBA divers worldwide with medical emergencies</li> <li>• Updated physician and hyperbaric chamber database</li> </ul>	
Hiram Village <i>Firefighter/ Emergency Medical Technician/ Divers Medical Technician/ Rope Rescue Technician</i>	Hiram, OH 2002 to 2006
<ul style="list-style-type: none"> <li>• Top 5 Responders of the Year, 2003-2006</li> <li>• Part Time Firefighter: Provided patient care, community education, emergency planning</li> </ul>	
Town of Gates Mills <i>Firefighter/ Emergency Medical Technician/ Divers Medical Technician/ Rope Rescue Technician</i>	Gates Mills, OH 2000-2006

**Education:**

Portsmouth Naval Shipyard <i>Apprentice Training Program - Shipwright</i>	2011-2015
<ul style="list-style-type: none"> <li>• Straight A's in all curriculum course work w/Advanced Credit for technical writing</li> <li>• Graduated Apprentice Program Jan 2015 Code 990 Apprentice of the Year</li> </ul>	
Hiram College <i>Bachelor of Arts, Environmental Studies – Focus on Ecotourism Arts and Environmental Art</i>	May 2006
<ul style="list-style-type: none"> <li>• 3.44 Cumulative GPA w/61 credit hours in science related courses</li> </ul>	
University of North Carolina, Randolph Community College, Western Carolina University	2006 to 2009
Chowan University, Randolph County Schools <i>General Science 9-12 Teaching License through North Carolina RALC</i>	
<ul style="list-style-type: none"> <li>• Physics 102, Reading in the Content Area, Introduction to Exceptional Children, Lifespan Development, Effective Teacher Training, Educational Psychology, Science Methods in Secondary Education</li> </ul>	

**Additional Experience:** Search and Rescue Volunteer, Teaching Bell to Bell Workshop (time management), Professional Learning Communities, FEMA IS-100, 200, 700, 800 Training, Safety Voluntary Protection Program (VPP) Passport Completed, Code 990 Idea Board Participant, Portsmouth PRO (Pride Respect Ownership) Training, Lock Out Tag Plus, First Line Supervisor Training/Corporate Leadership Development Program, Shipyard Emergency Drill Team active member, Code 990 Community of Practice 2016 Presenter/Attendee, Dock Master Training



## Town Manager

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**From:** Ben Jennell <bjff32@comcast.net>  
**Sent:** Thursday, April 11, 2019 2:28 PM  
**To:** Town Manager  
**Subject:** Board of fire engineers

Angus

I am interested in serving on the board of fire engineers for another term. I have a working knowledge of how the board of fire engineers work. Also we have a couple of up coming projects such as a new rescue and hopefully a tanker that I would like to finish.

Thanks for the consideration

Ben Jennell

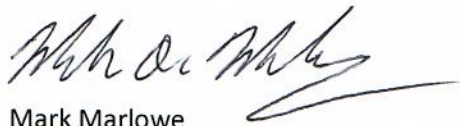
Sent from my iPad

April 11, 2019

This is to state my interest in appointment to the Board of Fire Engineers. I have been serving the Town of West Newbury as a Lieutenant on the Fire Department since July, 2009.

I am available to attend the Board of Selectmen meeting on April 22.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Mark Marlowe", with a long horizontal flourish extending to the right.

Mark Marlowe

TOWN OF WEST NEWBURY  
APPLICATION  
STREET OPENING PERMIT

**PLEASE NOTE:** If this is an application for a driveway for a new home, a street number must be obtained from the Building Inspector before submitting the application.

Permission is requested to enter 12 Dole Place for the purpose  
(include Street # or Map & Parcel #)

of ELECTRIC TRENCH FOR UNDERGROUND  
ELECTRIC SERVICE

All Street Opening applications must be submitted to the Board of Selectmen with a site plan showing:

- exact location of driveway or pavement/right-of-way cut
- existing trees within the public way or on the boundaries thereon
- stone walls and bound stones
- all utilities, including water lines and siren boxes
- grading back to original undisturbed ground
- 2' contours

Name: Tim Collins Signed:   
(Please print)

Address: PO Box 297 West Newbury MA 01985

e-mail Tim@CollinsBeverage.com Phone: 978-857-8694


We have reviewed application/site plan and recommend approval with the following conditions:  
(Applicants: Do not write in this space.)

SEE MEMO FROM DPW DIRECTOR.  
PERMIT INCLUDES ATTACHMENT A & B.

- Water Dept.,

Contractor will need to contact Water Superintendent before installing the water service for proper setbacks.

Electric line location is fine with Water Dept.

  
Superintendent of Streets  
Michael E. Gortzi 4-10-19  
Water Department Superintendent

\$35.00 application fee submitted \_\_\_\_\_

\$ \_\_\_\_\_ Performance Bond required prior to issuance of permit

\$ \_\_\_\_\_ Certificate of Insurance required (naming the Town of West Newbury as an additional insured) prior to issuance of permit.



# Town of West Newbury


381 Main Street

West Newbury, Massachusetts 01985

Wayne S. Amaral, Director of Public Works

978-363-1100, Ext. 120

[DPWDirector@wnewbury.org](mailto:DPWDirector@wnewbury.org)

TO: Board of Selectmen  
FROM: Wayne S. Amaral, DPW Director   
DATE: April 9, 2019  
RE: 12 Dole Street Place – DPW Street Opening Permit Requirements

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Per the above three listed Street Opening Permits request for Dole Place dated February 11, 2019, the following requirements are recommended to be included in said permits from the Department of Public Works.

## 1. Driveway Proposal.

- a. Excavate a depth of 17-18 inches.
- b. Install / place 12-inches of processed gravel.
- c. Compact in 6-inch lifts.
- d. Pave 3-inch binder course and 2-inch final course of bituminous asphalt from existing edge of roadway to property line for any single-family residential property. Pave 4-inch binder course and 2-inch final course of bituminous asphalt from existing edge of roadway to property line for all other residential and commercial property.

## 2. Roadway Trench

- a. Suitable excavated material may be placed back into trench no greater than 18-inches from roadway grade. Must be compacted in 6-inch lifts.
- b. Install / place 12-inches of processed gravel from 18-inches below roadway grade to 6-inches below roadway grade. Must be compacted in 6-inch lifts.
- c. Pave 4" binder course and 2" final course of bituminous asphalt.
- d. If not noted on plan, the roadway trench size must be pre-approved on-site by the DPW Director prior to excavating. Please call 978-363-1100 extension #120, 48-hours in advance of work

## 3. Edge of Roadway – Disturbed Area.

- a. Loam and Seed all disturbed areas at edge of roadway.

## 4. Tracked Vehicles.

- a. No tracked vehicles shall be on the public roadway without a plywood or mat base.

## 5. Dig-Safe.

- a. Per State Law, Dig-Safe must be requested by applicant or applicant's agent and copy of Dig-Safe information must be on-site for inspection if requested by DPW Director or designee.

## 6. Traffic Controls.

- a. Police Details are required for all public roadway excavations. Contact the West Newbury Police Department at 978-363-1212.
- b. MUTCD requirements must be followed on roadway and edge of roadway projects. A police detail is NOT a substitute for proper traffic controls.

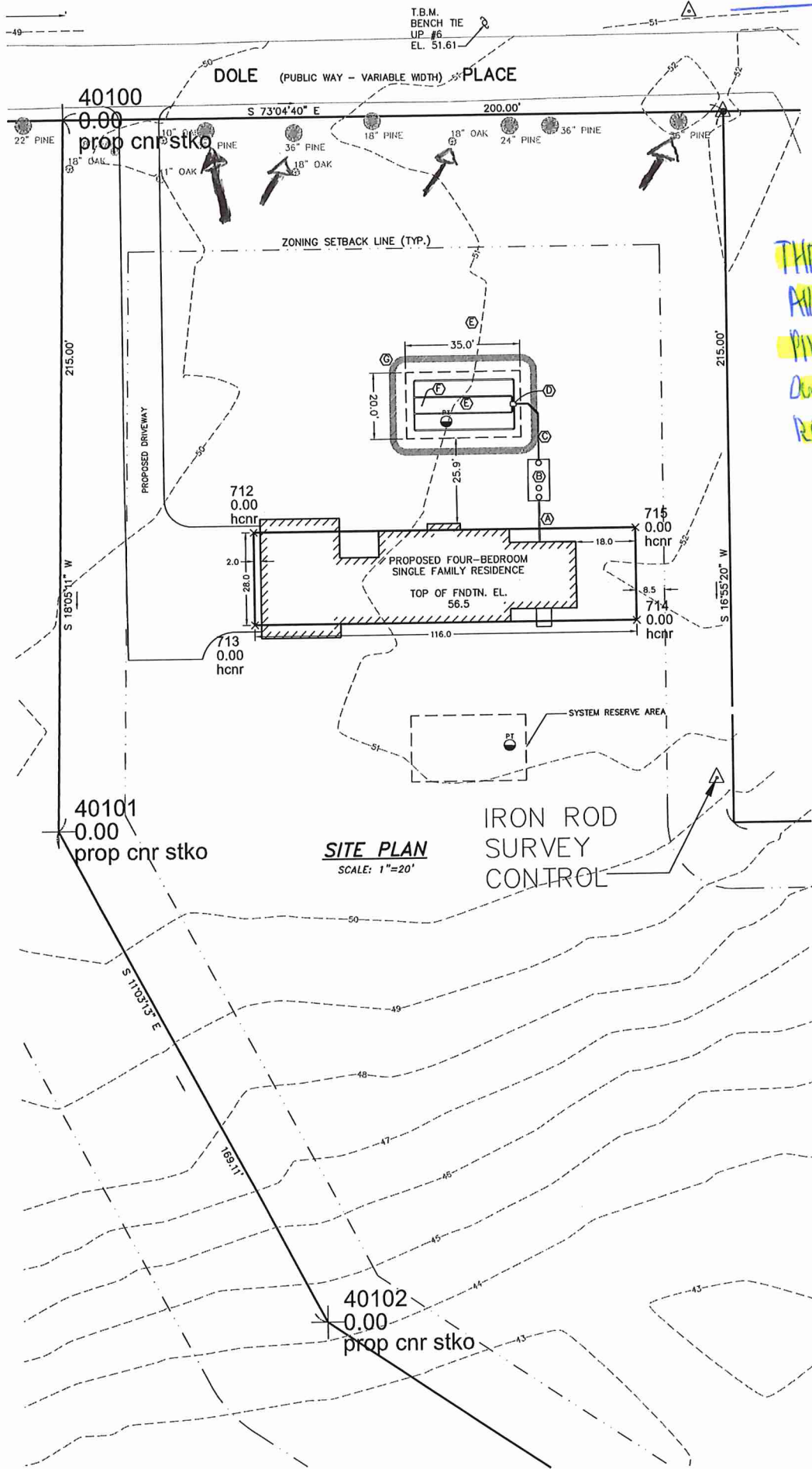
## 7. Roadway Plates.

- a. Roadway plates may not be used unless prior approval from the DPW Director.

8. Contact DPW 72-hours in advance of the commencement of work in the public right-of-way.
9. All worked in the public right of way is warranted by the applicant for 12-months after the acceptance of such work by the DPW Director or designee. Any roadway / trench failures must be corrected within 48 hours of notification and any emergency failures must be made-safe within two-hours of notification by West Newbury Police or town official.

# 12 Dole Place DANGEROUS TREES

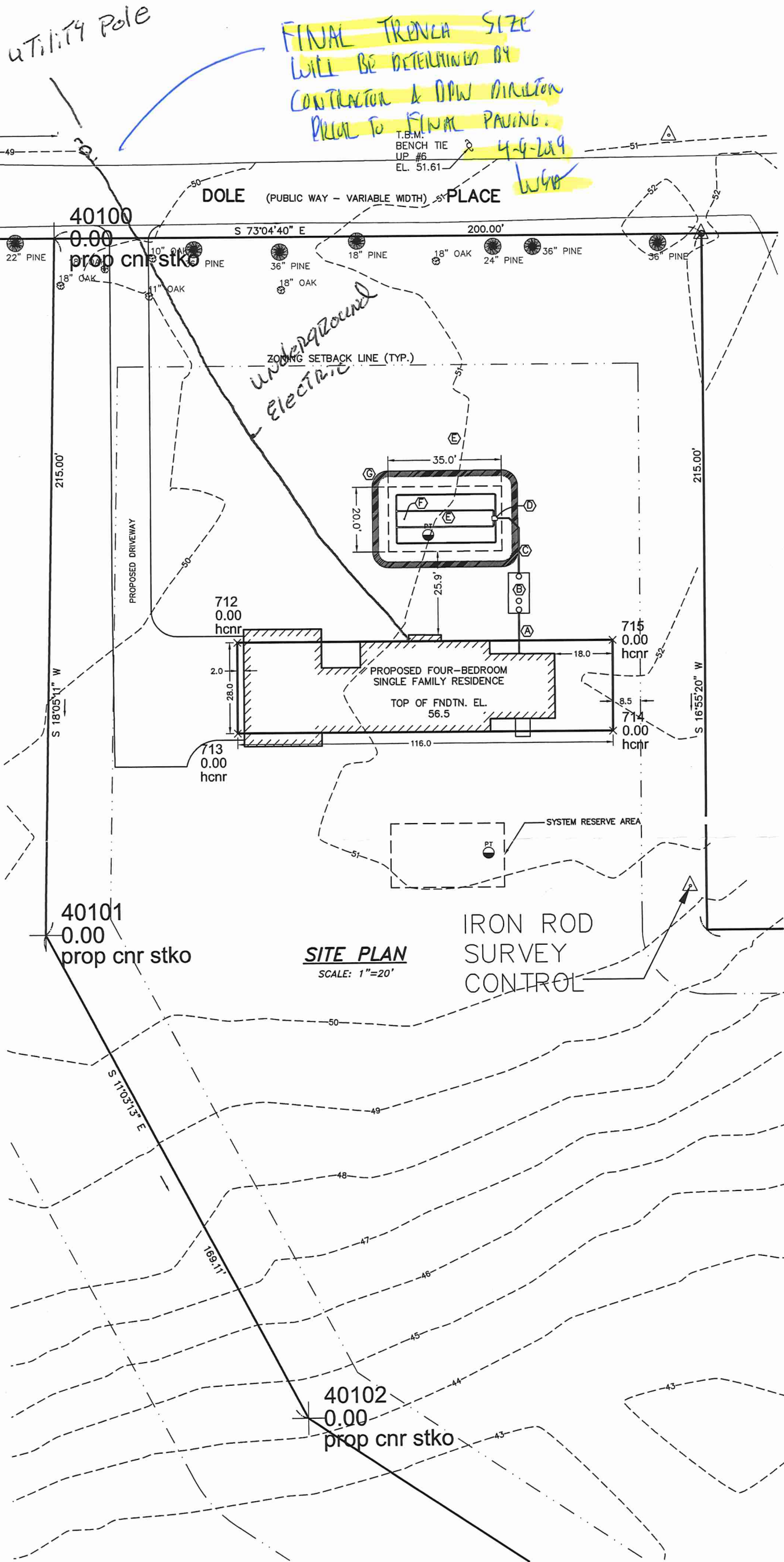
ATTACHMENT B



THESE TREES  
ARE ON PRIVATE  
PROPERTY &  
OWNER CAN  
REMOVE.

4-9-2019  
LWSA  
DPW Director

**SITE PLAN**  
SCALE: 1"=20'



FINAL TRENCH SIZE  
 WILL BE DETERMINED BY  
 CONTRACTOR & DPW DIVISION  
 PRIOR TO FINAL PAVING.

T.B.M.  
 BENCH TIE  
 UP #6  
 EL. 51.61  
 4-5-2019  
 W90

underground  
 electric

**SITE PLAN**  
 SCALE: 1"=20'

IRON ROD  
 SURVEY  
 CONTROL

## Town Manager

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**From:** Liz Callahan <calladug@verizon.net>  
**Sent:** Tuesday, April 9, 2019 1:01 PM  
**To:** Town Manager  
**Cc:** elisa.grammer@perennialmotion.com; parkerrg@comcast.net  
**Subject:** Re: request to be on April 22 Selectmen's meeting agenda - final sign off of MVP program grant application

Hi Angus,

The team working on the Municipal Vulnerability Preparedness Grant application requests time on the April 22 Selectmen's meeting agenda to seek final sign off on the MVP program grant application. The final application will be available to be sent to the Selectmen ahead of the meeting.

There are two letters that will require a signature from the Chairman of the BOS, (1) the application cover letter and (2) the letter of support from municipal leadership (a required component of the application). The application is due May 3rd. We are hoping to have the two letters signed on 4/22 or shortly thereafter.

Please let me know if you have any questions. We will plan on having the final application to you before April 17, unless we hear that you need it sooner. It is in near final form.

Thank you.

Liz Callahan

(978)361-7123



**First Addendum to Town Manager  
Contract of Employment**

Reference is made to the Town Manager Contract of Employment dated February 3, 2018 by and between the Town of West Newbury, acting by and through its Board of Selectmen, and Angus G. Jennings, for the employment of a Town Manager for the Town of West Newbury (hereinafter referred to as the "Contract")

WHEREAS, the position of Town Manager requires attendance at numerous meetings often after and in addition to regular business hours; and

WHEREAS, the parties are desirous of providing compensation for such meetings; and

WHEREAS, in accordance with Section 7 of the Contract, there shall be no change or amendment to the Contract except in writing, executed by the parties;

NOWHEREFORE, for good and valuable consideration given, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- A. Section 4.b. of the Contract shall be amended to provide twenty (20) days of annual paid vacation leave.
- B. Fiscal Year 2019 paid vacation leave, as amended, shall be used by December 31, 2019.

Witness our hands and seals this                      day of April, 2019

WEST NEWBURY BOARD OF SELECTMEN

ANGUS G. JENNINGS

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

#### Section 4. Benefits

A. The Board shall provide the Town Manager with health insurance at rates as provided in the Personnel Policy of the Town or as provided to all full time non union employees of the Town.

B. The Town Manager shall be entitled to annual paid vacation leave of fifteen (15) days effective from the date of this Agreement, exclusive of legal holidays. To be accrued in accordance with the Personnel Policy of the Town and subject to the probationary period as set forth in the Personnel Policy of the Town. Said vacation days must be taken in the fiscal year in which they accrue, subject to the Personnel Policy of the Town of West Newbury. Vacation days may be taken in advance of being accrued, with the approval of the Board.

C. The Town Manager will be allowed ten (10) sick days per year. Said sick leave may accumulate in accordance with the Personnel Policy of the Town of West Newbury.

D. The Town Manager will be eligible for one (1) personal day per year, which is non-cumulative.

E. The Town Manager shall be eligible to receive a one time payment of not greater than \$5,000.00 for reimbursement of expenses pertaining to his relocation to this area. The Town Manager shall be responsible for any taxes due pursuant to this payment.

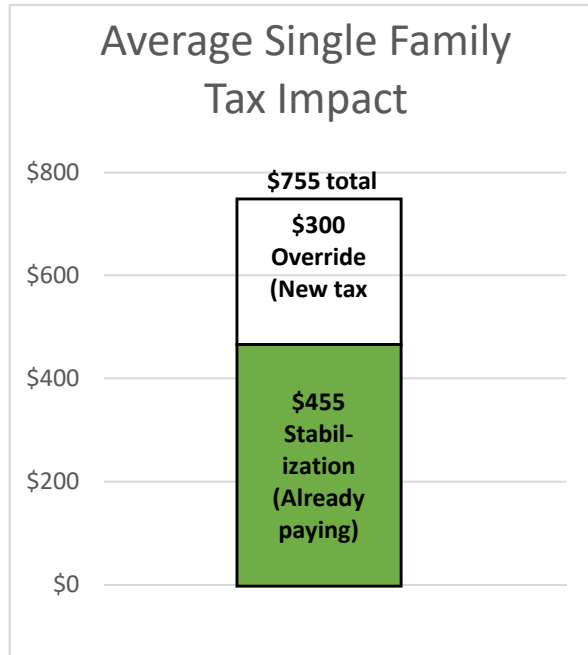
F. During the term of this Agreement and in addition to other salary and benefits herein provided, the Town Manager shall be paid the sum of \$300 per month as a vehicle allowance to be used to purchase, lease, or own, operate and maintain a vehicle. The Town Manager shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle, must list the Town as an additional insured on such insurance; and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and replacement of said vehicle. The Town shall reimburse the Town Manager at the IRS standard mileage rate for any business use of the vehicle only for travel beyond a 50-mile radius of the West Newbury Town Office.

G. The Town agrees to provide a professional liability insurance policy for the Town Manager insuring up to \$1,000,000.00. The Town shall indemnify the Town Manager against any tort, professional liability claim or demand arising out of an alleged act or omission occurring in the performance of the Town Manager's duties as Chief Finance Officer of the Town. This indemnification shall survive this contract.

H. All matters not specified set forth herein are governed by the Personnel Policy of the Town and the Town Manager shall enjoy all retirement, insurance, holiday and other benefits available under the same terms and conditions as specified therein.

# West Newbury School Capital Funding

Takes into account Final Cost Reimbursement voted by Mass. School Bldg. Authority on April 10, 2019  
This is a projection of the potential West Newbury impact,  
based on PRSD's published amounts



## West Newbury's Taxes Estimated to Increase An Average of \$300

You can ballpark your property tax increase by multiplying your assessed value by 0.00051

### Assumptions:

- ◇ Average value home of \$569,716 (October 2018)
- ◇ Town Meeting will continue to contribute retiring debt to the school stabilization fund over the life of the borrowing
- ◇ Does not include projection of future non-school debt
- ◇ Total project cost of \$146.3 MM
  - ◇ District share of \$93.2 MM
  - ◇ West Newbury share of \$24.5 MM
- ◇ West Newbury annual debt service of \$1.2 MM
  - ◇ 30 year bond, with a 2.75% interest rate

## School Building Policy Framework

In FY16, total P&I payments (excl. Water, Septic and Dunn) were \$684,000.

The rationale of the School Stabilization Fund is to maintain level budgeting for debt service, even as debt service is retired, with the difference being allocated to the School Stabilization Fund on an annual basis.

The goal of building up the School Stabilization Fund is to have a source to draw from in order to offset the property tax impact of an override and debt service associated with a proposed Middle/High School.

**School Construction Cost Financing Workbook, DRAFT**

			<u>Source</u>
Construction cost	\$	146,300,000	PRSD, 2/13/19
MSBA share	\$	52,700,000	PRSD, 4/11/19
Phasing costs			
District offices			
<b>District share of cost:</b>	<b>\$</b>	<b>93,600,000</b>	<i>PRSD, 2/13/19</i>
Annual debt service	\$	4,602,222	<i>30 years at 2.75% interest</i>

**Cost Share by Town**

<u>Town</u>	<u>Capital</u>	<u>Interest</u>	<u>%</u>
West Newbury	\$ 24,623,338	\$ 11,697,840	26.3%
Groveland	\$ 35,780,176	\$ 16,998,133	38.2%
Merrimac	\$ 33,196,487	\$ 15,770,697	35.5%
	<u>\$ 93,600,000</u>	<u>\$ 44,466,670</u>	

**Cost Share by Town, Debt Service**

West Newbury	\$ 1,210,706
Groveland	\$ 1,759,277
Merrimac	\$ 1,632,239
	<u>\$ 4,602,222</u>

**Pentucket Enrollment by Town**

	<u>#</u>	<u>%</u>
West Newbury	629	26.3%
Groveland	914	38.2%
Merrimac	<u>848</u>	35.5%
TOTAL	<u><u>2391</u></u>	100%

*Source: Marianne Naffah, 10/9/18*

**West Newbury Single Family Home Values**

as of 10/5/2018

Average	\$	569,716
Median	\$	531,350
25th percentile	\$	433,525
50th percentile	\$	531,350
75th percentile	\$	651,950
100th percentile (highest value)	\$	2,657,300

**School Stabilization Fund Debt Service Model**

Base Year	FY (year-end)	Current Debt	Appropriation	School	School	School
		Service Obligations	to School Stabilization	Stabilization Projected Balance (gross)	Stabilization Spent	Stabilization Projected Balance (net)
	FY16	\$ 684,000				
	FY17	\$ 527,000	\$ 157,000			
	FY18	\$ 406,100	\$ 277,900	\$ 1,250,268		
	FY19	\$ 369,000	\$ 315,000	\$ 1,565,268		
	FY20	\$ 362,200	\$ 321,800	\$ 1,887,068		
	FY21	\$ 355,400	\$ 328,600	\$ 2,215,668	\$ 362,685	\$ 1,852,983
	FY22	\$ 313,950	\$ 370,050	\$ 2,585,718	\$ 725,369	\$ 1,497,664
	FY23	\$ 297,950	\$ 386,050	\$ 2,971,768	\$ 725,369	\$ 1,158,344
	FY24	\$ -	\$ 684,000	\$ 3,655,768	\$ 725,369	\$ 1,116,975
	FY25	\$ -	\$ 684,000	\$ 4,339,768	\$ 725,369	\$ 1,075,606
	FY26	\$ -	\$ 684,000	\$ 5,023,768	\$ 725,369	\$ 1,034,236
	FY27	\$ -	\$ 684,000	\$ 5,707,768	\$ 725,369	\$ 992,867
	FY28	\$ -	\$ 684,000	\$ 6,391,768	\$ 725,369	\$ 951,497
	FY29	\$ -	\$ 684,000	\$ 7,075,768	\$ 725,369	\$ 910,128
	FY30	\$ -	\$ 684,000	\$ 7,759,768	\$ 725,369	\$ 868,758
	FY31	\$ -	\$ 684,000	\$ 8,443,768	\$ 725,369	\$ 827,389
	FY32	\$ -	\$ 684,000	\$ 9,127,768	\$ 725,369	\$ 786,019
	FY33	\$ -	\$ 684,000	\$ 9,811,768	\$ 725,369	\$ 744,650
	FY34	\$ -	\$ 684,000	\$ 10,495,768	\$ 725,369	\$ 703,281
	FY35	\$ -	\$ 684,000	\$ 11,179,768	\$ 725,369	\$ 661,911
	FY36	\$ -	\$ 684,000	\$ 11,863,768	\$ 725,369	\$ 620,542
	FY37	\$ -	\$ 684,000	\$ 12,547,768	\$ 725,369	\$ 579,172
	FY38	\$ -	\$ 684,000	\$ 13,231,768	\$ 725,369	\$ 537,803
	FY39	\$ -	\$ 684,000	\$ 13,915,768	\$ 725,369	\$ 496,433
	FY40	\$ -	\$ 684,000	\$ 14,599,768	\$ 725,369	\$ 455,064
	FY41	\$ -	\$ 684,000	\$ 15,283,768	\$ 725,369	\$ 413,694
	FY42	\$ -	\$ 684,000	\$ 15,967,768	\$ 725,369	\$ 372,325
	FY43	\$ -	\$ 684,000	\$ 16,651,768	\$ 725,369	\$ 330,956
	FY44	\$ -	\$ 684,000	\$ 17,335,768	\$ 725,369	\$ 289,586
	FY45	\$ -	\$ 684,000	\$ 18,019,768	\$ 725,369	\$ 248,217
	FY46	\$ -	\$ 684,000	\$ 18,703,768	\$ 725,369	\$ 206,847
	FY47	\$ -	\$ 684,000	\$ 19,387,768	\$ 725,369	\$ 165,478
	FY48	\$ -	\$ 684,000	\$ 20,071,768	\$ 725,369	\$ 124,108
	FY49	\$ -	\$ 684,000	\$ 20,755,768	\$ 725,369	\$ 82,739
	FY50	\$ -	\$ 684,000	\$ 21,439,768	\$ 725,369	\$ 41,369
	FY51	\$ -	\$ 684,000	\$ 22,123,768	\$ 725,369	\$ 0
			<u>\$ 21,308,400</u>			



Debt Service Schedule						
FY	Debt Svc Due	Sources			Debt Service	
		Stabilization Fund	Override	Free Cash	Due	Delta
FY19	\$ -	\$ -			\$ -	\$ -
FY20	\$ -	\$ -			\$ -	\$ -
FY21	\$ 605,353	\$ 362,685	\$ 242,668		\$ 605,353	\$ -
FY22	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY23	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY24	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY25	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY26	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY27	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY28	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY29	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY30	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY31	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY32	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY33	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY34	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY35	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY36	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY37	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY38	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY39	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY40	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY41	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY42	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY43	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY44	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY45	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY46	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY47	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY48	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY49	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY50	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
FY51	\$ 1,210,706	\$ 725,369	\$ 485,336		\$ 1,210,706	\$ -
	<u>\$ 36,926,531</u>		<u>\$ 14,802,763</u>			

<b>TAX RATE IMPACT FOR AN INCREASE OF:</b>			<b>\$485,336</b>				
<u>Fiscal Year</u>	<u>West Newbury's Valuation</u>	<u>Total Tax Levy</u>	<u>Total Tax Levy with Increase</u>	<u>Current Tax Rate</u>	<u>Projected Tax Rate with Increase</u>	<u>Difference in Tax Rate Due to Increase</u>	<u>% Increase</u>
2019	\$ 946,419,298	\$ 13,789,329	\$ 14,274,665	\$14.57	\$15.08	\$0.51	3.5%

\*\* The tax rate impact is based on the fiscal year FY19 certified values and tax rate.

<b>SINGLE FAMILY IMPACT OF AN ASSESSMENT INCREASE</b>							
<u>Fiscal Year</u>	<u>Average Single Family Home Value</u>	<u>Current Tax Rate</u>	<u>Average Single Family Tax Bill Before</u>	<u>Tax Rate on New Valuation</u>	<u>Average Single Family Tax Bill After</u>	<u>**Average Single Family Increase in Tax Dollars</u>	<u>**Average Single Family % Increase</u>
2019	\$569,716	\$14.57	\$8,301	\$15.08	\$8,593	\$292	3.5%
<u>Fiscal Year</u>	<u>Single Family Home Value</u>	<u>Current Tax Rate</u>	<u>Single Family Tax Bill Before</u>	<u>Tax Rate on New Valuation</u>	<u>Single Family Tax Bill After</u>	<u>Single Family Increase in Tax Dollars</u>	<u>Single Family % Increase</u>
2019	\$100,000	\$14.57	\$1,457	\$15.08	\$1,508	\$51	3.5%
2019	\$200,000	\$14.57	\$2,914	\$15.08	\$3,017	\$103	3.5%
2019	\$250,000	\$14.57	\$3,642	\$15.08	\$3,771	\$128	3.5%
2019	\$300,000	\$14.57	\$4,371	\$15.08	\$4,525	\$154	3.5%
2019	\$350,000	\$14.57	\$5,099	\$15.08	\$5,279	\$179	3.5%
2019	\$400,000	\$14.57	\$5,828	\$15.08	\$6,033	\$205	3.5%
2019	\$500,000	\$14.57	\$7,285	\$15.08	\$7,541	\$256	3.5%
2019	\$600,000	\$14.57	\$8,742	\$15.08	\$9,050	\$308	3.5%
2019	\$700,000	\$14.57	\$10,199	\$15.08	\$10,558	\$359	3.5%
2019	\$800,000	\$14.57	\$11,656	\$15.08	\$12,066	\$410	3.5%

\*\* The average single family home value is as of 10/5/18

Debt Amortization - Total		
<b>Annual Calculation</b>		
<b>Inputs</b>		
Loan		93,600,000
Number of years		30
Annual Interest Rate		2.75%
Future Value		0
<b>Calculated Amounts</b>		
Number of Periods (semi-annual)		60
Interest Rate (semi-annual)		1.38%
<b>Will calculate the following payment</b>		
Pmt	\$2,301,111	
Semi-Annual Payment		2,301,111
	D.S.C.	2.458%
Principal Amount		93,600,000
Other		0
	Total Principal	93,600,000
	Total Interest	\$ 44,466,670
Semi-Annual Payment:		2,301,111
Annual Payment	4,602,222	

Debt Service Schedule							
FY	Period	Interest	Principal	Principal Balance	Semi-Annual Payment	Annual Interest	
				93,600,000			
FY21	1	\$ 1,287,000	\$ 1,014,111	\$ 92,585,889	\$ 2,301,111	\$ 2,560,056	
	2	\$ 1,273,056	\$ 1,028,055	\$ 91,557,834	\$ 2,301,111		
FY22	3	\$ 1,258,920	\$ 1,042,191	\$ 90,515,643	\$ 2,301,111	\$ 2,503,510	
	4	\$ 1,244,590	\$ 1,056,521	\$ 89,459,122	\$ 2,301,111		
FY23	5	\$ 1,230,063	\$ 1,071,048	\$ 88,388,073	\$ 2,301,111	\$ 2,445,399	
	6	\$ 1,215,336	\$ 1,085,775	\$ 87,302,298	\$ 2,301,111		
FY24	7	\$ 1,200,407	\$ 1,100,705	\$ 86,201,594	\$ 2,301,111	\$ 2,385,679	
	8	\$ 1,185,272	\$ 1,115,839	\$ 85,085,754	\$ 2,301,111		
FY25	9	\$ 1,169,929	\$ 1,131,182	\$ 83,954,572	\$ 2,301,111	\$ 2,324,304	
	10	\$ 1,154,375	\$ 1,146,736	\$ 82,807,836	\$ 2,301,111		
FY26	11	\$ 1,138,608	\$ 1,162,503	\$ 81,645,333	\$ 2,301,111	\$ 2,261,231	
	12	\$ 1,122,623	\$ 1,178,488	\$ 80,466,845	\$ 2,301,111		
FY27	13	\$ 1,106,419	\$ 1,194,692	\$ 79,272,153	\$ 2,301,111	\$ 2,196,411	
	14	\$ 1,089,992	\$ 1,211,119	\$ 78,061,034	\$ 2,301,111		
FY28	15	\$ 1,073,339	\$ 1,227,772	\$ 76,833,262	\$ 2,301,111	\$ 2,129,797	
	16	\$ 1,056,457	\$ 1,244,654	\$ 75,588,608	\$ 2,301,111		
FY29	17	\$ 1,039,343	\$ 1,261,768	\$ 74,326,840	\$ 2,301,111	\$ 2,061,337	
	18	\$ 1,021,994	\$ 1,279,117	\$ 73,047,723	\$ 2,301,111		

FY30	19	\$	1,004,406	\$	1,296,705	\$	71,751,018	\$	2,301,111	\$	1,990,983
	20	\$	986,577	\$	1,314,535	\$	70,436,484	\$	2,301,111		
FY31	21	\$	968,502	\$	1,332,610	\$	69,103,874	\$	2,301,111	\$	1,918,680
	22	\$	950,178	\$	1,350,933	\$	67,752,941	\$	2,301,111		
FY32	23	\$	931,603	\$	1,369,508	\$	66,383,433	\$	2,301,111	\$	1,844,375
	24	\$	912,772	\$	1,388,339	\$	64,995,094	\$	2,301,111		
FY33	25	\$	893,683	\$	1,407,429	\$	63,587,665	\$	2,301,111	\$	1,768,013
	26	\$	874,330	\$	1,426,781	\$	62,160,885	\$	2,301,111		
FY34	27	\$	854,712	\$	1,446,399	\$	60,714,486	\$	2,301,111	\$	1,689,536
	28	\$	834,824	\$	1,466,287	\$	59,248,199	\$	2,301,111		
FY35	29	\$	814,663	\$	1,486,448	\$	57,761,750	\$	2,301,111	\$	1,608,887
	30	\$	794,224	\$	1,506,887	\$	56,254,863	\$	2,301,111		
FY36	31	\$	773,504	\$	1,527,607	\$	54,727,256	\$	2,301,111	\$	1,526,004
	32	\$	752,500	\$	1,548,611	\$	53,178,645	\$	2,301,111		
FY37	33	\$	731,206	\$	1,569,905	\$	51,608,740	\$	2,301,111	\$	1,440,827
	34	\$	709,620	\$	1,591,491	\$	50,017,249	\$	2,301,111		
FY38	35	\$	687,737	\$	1,613,374	\$	48,403,875	\$	2,301,111	\$	1,353,290
	36	\$	665,553	\$	1,635,558	\$	46,768,317	\$	2,301,111		
FY39	37	\$	643,064	\$	1,658,047	\$	45,110,270	\$	2,301,111	\$	1,263,331
	38	\$	620,266	\$	1,680,845	\$	43,429,425	\$	2,301,111		
FY40	39	\$	597,155	\$	1,703,957	\$	41,725,469	\$	2,301,111	\$	1,170,880
	40	\$	573,725	\$	1,727,386	\$	39,998,083	\$	2,301,111		
FY41	41	\$	549,974	\$	1,751,138	\$	38,246,945	\$	2,301,111	\$	1,075,869
	42	\$	525,895	\$	1,775,216	\$	36,471,730	\$	2,301,111		
FY42	43	\$	501,486	\$	1,799,625	\$	34,672,105	\$	2,301,111	\$	978,228
	44	\$	476,741	\$	1,824,370	\$	32,847,735	\$	2,301,111		
FY43	45	\$	451,656	\$	1,849,455	\$	30,998,280	\$	2,301,111	\$	877,883
	46	\$	426,226	\$	1,874,885	\$	29,123,395	\$	2,301,111		
FY44	47	\$	400,447	\$	1,900,664	\$	27,222,731	\$	2,301,111	\$	774,759
	48	\$	374,313	\$	1,926,799	\$	25,295,932	\$	2,301,111		
FY45	49	\$	347,819	\$	1,953,292	\$	23,342,640	\$	2,301,111	\$	668,780
	50	\$	320,961	\$	1,980,150	\$	21,362,490	\$	2,301,111		
FY46	51	\$	293,734	\$	2,007,377	\$	19,355,113	\$	2,301,111	\$	559,867
	52	\$	266,133	\$	2,034,978	\$	17,320,135	\$	2,301,111		
FY47	53	\$	238,152	\$	2,062,959	\$	15,257,176	\$	2,301,111	\$	447,938
	54	\$	209,786	\$	2,091,325	\$	13,165,851	\$	2,301,111		
FY48	55	\$	181,030	\$	2,120,081	\$	11,045,770	\$	2,301,111	\$	332,910
	56	\$	151,879	\$	2,149,232	\$	8,896,538	\$	2,301,111		
FY49	57	\$	122,327	\$	2,178,784	\$	6,717,754	\$	2,301,111	\$	214,697
	58	\$	92,369	\$	2,208,742	\$	4,509,012	\$	2,301,111		
FY50	59	\$	61,999	\$	2,239,112	\$	2,269,900	\$	2,301,111	\$	93,210
	60	\$	31,211	\$	2,269,900	\$	0	\$	2,301,111		
<b>TOTAL INTEREST</b>		\$	<b>44,466,670</b>							\$	<b>44,466,670</b>

Debt Amortization - West Newbury		
<b>Annual Calculation</b>		
<b>Inputs</b>		
Loan		24,623,338
Number of years		30
Annual Interest Rate		2.75%
Future Value		0
<b>Calculated Amounts</b>		
Number of Periods (semi-annual)		60
Interest Rate (semi-annual)		1.38%
<b>Will calculate the following payment</b>		
Pmt	\$605,353	
Semi-Annual Payment		605,353
	D.S.C.	2.458%
Principal Amount		24,623,338
Other		0
	Total Principal	24,623,338
	Total Interest	\$ 11,697,840
Semi-Annual Payment:		605,353
Annual Payment	1,210,706	

Debt Service Schedule							
FY	Period	Interest	Principal	Principal Balance	Semi-Annual Payment	Annual Interest	
				24,623,338			
FY21	1	\$ 338,571	\$ 266,782	\$ 24,356,555	\$ 605,353	\$ 673,474	
	2	\$ 334,903	\$ 270,450	\$ 24,086,105	\$ 605,353		
FY22	3	\$ 331,184	\$ 274,169	\$ 23,811,936	\$ 605,353	\$ 658,598	
	4	\$ 327,414	\$ 277,939	\$ 23,533,997	\$ 605,353		
FY23	5	\$ 323,592	\$ 281,760	\$ 23,252,237	\$ 605,353	\$ 643,311	
	6	\$ 319,718	\$ 285,635	\$ 22,966,602	\$ 605,353		
FY24	7	\$ 315,791	\$ 289,562	\$ 22,677,040	\$ 605,353	\$ 627,600	
	8	\$ 311,809	\$ 293,544	\$ 22,383,496	\$ 605,353		
FY25	9	\$ 307,773	\$ 297,580	\$ 22,085,916	\$ 605,353	\$ 611,454	
	10	\$ 303,681	\$ 301,672	\$ 21,784,245	\$ 605,353		
FY26	11	\$ 299,533	\$ 305,820	\$ 21,478,425	\$ 605,353	\$ 594,862	
	12	\$ 295,328	\$ 310,025	\$ 21,168,401	\$ 605,353		
FY27	13	\$ 291,066	\$ 314,287	\$ 20,854,113	\$ 605,353	\$ 577,810	
	14	\$ 286,744	\$ 318,609	\$ 20,535,504	\$ 605,353		
FY28	15	\$ 282,363	\$ 322,990	\$ 20,212,514	\$ 605,353	\$ 560,285	
	16	\$ 277,922	\$ 327,431	\$ 19,885,083	\$ 605,353		
FY29	17	\$ 273,420	\$ 331,933	\$ 19,553,150	\$ 605,353	\$ 542,276	
	18	\$ 268,856	\$ 336,497	\$ 19,216,653	\$ 605,353		

FY30	19	\$	264,229	\$	341,124	\$	18,875,529	\$	605,353	\$	523,768
	20	\$	259,539	\$	345,814	\$	18,529,715	\$	605,353		
FY31	21	\$	254,784	\$	350,569	\$	18,179,145	\$	605,353	\$	504,747
	22	\$	249,963	\$	355,390	\$	17,823,756	\$	605,353		
FY32	23	\$	245,077	\$	360,276	\$	17,463,479	\$	605,353	\$	485,199
	24	\$	240,123	\$	365,230	\$	17,098,249	\$	605,353		
FY33	25	\$	235,101	\$	370,252	\$	16,727,997	\$	605,353	\$	465,111
	26	\$	230,010	\$	375,343	\$	16,352,654	\$	605,353		
FY34	27	\$	224,849	\$	380,504	\$	15,972,150	\$	605,353	\$	444,466
	28	\$	219,617	\$	385,736	\$	15,586,414	\$	605,353		
FY35	29	\$	214,313	\$	391,040	\$	15,195,375	\$	605,353	\$	423,250
	30	\$	208,936	\$	396,417	\$	14,798,958	\$	605,353		
FY36	31	\$	203,486	\$	401,867	\$	14,397,091	\$	605,353	\$	401,446
	32	\$	197,960	\$	407,393	\$	13,989,698	\$	605,353		
FY37	33	\$	192,358	\$	412,995	\$	13,576,703	\$	605,353	\$	379,038
	34	\$	186,680	\$	418,673	\$	13,158,030	\$	605,353		
FY38	35	\$	180,923	\$	424,430	\$	12,733,600	\$	605,353	\$	356,010
	36	\$	175,087	\$	430,266	\$	12,303,334	\$	605,353		
FY39	37	\$	169,171	\$	436,182	\$	11,867,152	\$	605,353	\$	332,344
	38	\$	163,173	\$	442,180	\$	11,424,972	\$	605,353		
FY40	39	\$	157,093	\$	448,260	\$	10,976,713	\$	605,353	\$	308,023
	40	\$	150,930	\$	454,423	\$	10,522,289	\$	605,353		
FY41	41	\$	144,681	\$	460,671	\$	10,061,618	\$	605,353	\$	283,029
	42	\$	138,347	\$	467,006	\$	9,594,612	\$	605,353		
FY42	43	\$	131,926	\$	473,427	\$	9,121,185	\$	605,353	\$	257,342
	44	\$	125,416	\$	479,937	\$	8,641,249	\$	605,353		
FY43	45	\$	118,817	\$	486,536	\$	8,154,713	\$	605,353	\$	230,944
	46	\$	112,127	\$	493,226	\$	7,661,487	\$	605,353		
FY44	47	\$	105,345	\$	500,008	\$	7,161,480	\$	605,353	\$	203,816
	48	\$	98,470	\$	506,883	\$	6,654,597	\$	605,353		
FY45	49	\$	91,501	\$	513,852	\$	6,140,745	\$	605,353	\$	175,936
	50	\$	84,435	\$	520,918	\$	5,619,827	\$	605,353		
FY46	51	\$	77,273	\$	528,080	\$	5,091,747	\$	605,353	\$	147,284
	52	\$	70,012	\$	535,341	\$	4,556,405	\$	605,353		
FY47	53	\$	62,651	\$	542,702	\$	4,013,703	\$	605,353	\$	117,839
	54	\$	55,188	\$	550,165	\$	3,463,538	\$	605,353		
FY48	55	\$	47,624	\$	557,729	\$	2,905,809	\$	605,353	\$	87,579
	56	\$	39,955	\$	565,398	\$	2,340,411	\$	605,353		
FY49	57	\$	32,181	\$	573,172	\$	1,767,239	\$	605,353	\$	56,480
	58	\$	24,300	\$	581,053	\$	1,186,185	\$	605,353		
FY50	59	\$	16,310	\$	589,043	\$	597,142	\$	605,353	\$	24,521
	60	\$	8,211	\$	597,142	\$	(0)	\$	605,353		
<b>TOTAL INTEREST</b>		\$	<b>11,697,840</b>							\$	<b>11,697,840</b>



# TOWN OF WEST NEWBURY

## BOARD OF ASSESSORS

381 Main Street, West Newbury, Mass. 01985  
TEL: 978-363-1100 x117 FAX: 978-363-1826

Dear Honorable Selectmen;

During a recertification year, which FY20 is, the work load in the Assessor's office increases substantially. We would potentially have to hire Patriot Properties to subcontract the work that will not get done by the clerk in those six hours as required by the Department of Revenue. For example, creating sketches in Patriot which generates valuable new growth. Sketching is a very precise and time-consuming process that requires extensive training.

Losing the clerk from the Assessor's office 6 hours a week could potentially cost the taxpayers money rather than save the taxpayers money if we are unable to do everything that is required during the tax year or are unable to set a tax rate on time.

We look at several hundred properties a year. If the Assessor needs to be in the office an additional six hours a week that is 312 hours a year that she cannot be in the field to:

- Verify new growth
- Verify new sales
- Check forms of list
- Inspect building permits
- Inspect chapter land properties
- Inspect properties with active abatement cases pending at the appellate tax board
- Inspect properties that the DOR mandates

I hope the Board of Selectmen will reconsider their decision.

Sincerely,

Meredith



# Town of West Newbury

381 Main Street

West Newbury, Massachusetts 01985

Angus Jennings, Town Manager

978-363-1100, Ext. 111 Fax 978-363-1826

[townmanager@wnewbury.org](mailto:townmanager@wnewbury.org)

TO: Board of Selectmen  
FROM: Angus Jennings, Town Manager  
DATE: April 14, 2019  
RE: Estimates from March 2018 Storms

The following is a summary of the submitted costs and status of each project, prepared by EMA Director Lee Ann Delp. West Newbury qualified for a pilot Debris Removal Program that allowed for cost reimbursement for regular time and equipment costs for clean-up after the storms (month of April), which was a substantial amount of time and equipment.

Town of West Newbury March 2018 Declared Events Status Update					
<u>Event</u>	<u>Project #</u>	<u>Description</u>	<u>Total \$</u>	<u>Federal Share</u>	<u>Status Description</u>
4379DR-MA	75251	Debris Removal	\$107,108.06	\$80,331.04	Signed Project- awaiting contract paperwork
4379-MA	73818	Emergency Protective Actions	\$41,983.63	\$31,487.72	Obligated- contract signed
4372DR-MA	75247	Debris Removal	\$34,141.88	\$25,677.66	Pending Final Review
4372-MA	74353	Building & Equipment (FD Master Box Repair)	\$5,689.43	\$4,267.07	Pending Final Review
			<b>TOTAL</b>	<b>\$141,763.49</b>	



## Department of Homeland Security Federal Emergency Management Agency

### General Info

<b>Project #</b>	75251	<b>Project Type</b>	Work Completed / Fully Documented
<b>Project Category</b>	A - Debris Removal	<b>Applicant</b>	West Newbury, Town of (009-77150-00)
<b>Project Title</b>	4379DR West Newbury Debris Removal	<b>Event</b>	4379DR-MA (4379DR)

### Damage Description and Dimensions

**The Disaster # 4379DR, which occurred between 03/13/2018 and 03/14/2018, caused:**

#### Damage #210288; Debris Removal

During the incident period 3/13/2018 through 3/14/2018, a(n) Winter Storm deposited the following debris throughout West Newbury, Town of.

- Town-wide West Newbury, MA, a Public ROW, located at 42.800970 -70.987820, 10,000 Cubic Yard of Vegetative Debris. The work was completed between 3/15/2018 and 4/26/2018 by both Force Account and Contract, with a permit.

### Scope of Work

#### 210288 Debris Removal

#### Work Completed

The applicant utilized Force Account Labor, Force Account Equipment, and Contracts for debris removal operations throughout the Town of West Newbury, MA between 3/15/18 and 4/26/18.

Cost share for this version is 75%. Work completed between 3/15/18 and 4/26/18.

The Public Assistance Alternative Procedures Pilot Program for Debris Removal Acknowledgement form has been signed and the applicant elected to participate in the following options:

-Reimbursement of straight time force account labor costs for debris removal

The final disposal site was located at 693 Main Street, West Newbury, Massachusetts, GPS coordinates (42.803020, -70.96157).

#### Public Works

A. Removed 10,000 cubic yards (CY) of vegetative debris out of right of way.

#### Contracts

B. Logged and chipped 10,000 CY of vegetative debris.

#### Work Completed Totals

1. Force Account Labor Regular Time: 4 laborers - 924 hours, \$35,501.40
2. Force Account Equipment: 9 EA – 1,602 equipment hours \$62,006.66
3. Contracts: \$9,600.00

Work Completed Total: \$107,108.06

Unit cost: \$107,108.06/10,000CY = \$10.71/CY

Project Notes:

1. All costs associated with this project have been validated, see attachment labeled "Validation Summary Sheet 75251".
2. Payroll policy documents have been provided and reviewed. See attachment labeled "West Newbury DPW Union Contract\_".
3. The Town does not have a separate procurement policy but must comply with the state statutes regarding the procurement of goods and services. See "West Newbury State Procurement". Contracts and materials procured in accordance with "MA General Laws-Uniform Procurement Act-Chapter 30B Manual 2011". "Under Appendix A, section 30, in Chapter 30B, a contract for debris services are exempt from the requirements of Chapter 30B.
4. Debris was chipped and placed at final disposal site. Applicant owns the final disposal site at 693 Main Street, West Newbury. Applicant states that a permit is not necessary.
5. Project updated after EEI was submitted. Correct labor, materials, and equipment summary located in 'Project #75251 State Workbook.xlsm'.
6. Force account equipment hours are greater than force account labor hours due to multiple pieces of equipment being used at the same time. IE truck and chainsaw.

## Cost

Code	Quantity	Unit	Total Cost	Section
9231 (Contract - Debris Removal)	1.00	Lump Sum	\$9,600.00	Completed
9226 (Force Account Labor (Straight Time) - Debris Removal)	1.00	Lump Sum	\$35,501.40	Completed
9008 (Equipment)	1.00	Lump Sum	\$62,006.66	Completed

CRC Gross Cost	\$107,108.06
Total Insurance Reductions	\$0.00
<hr/>	
CRC Net Cost	\$107,108.06
Federal Share (75.00%)	\$80,331.05
Non-Federal Share (25.00%)	\$26,777.02

## Subgrant Conditions

- As described in 2 CFR, Part 200 § 200.333, financial records, supporting documents, statistical records and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three (3) years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a sub-recipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. Exceptions, Part 200.333, (a) – (f), (1), (2). All records relative to this Project Worksheet are subject to examination and audit by the State, FEMA and the Comptroller General of the United States and must reflect work related to disaster-specific costs.
- In the seeking of proposals and letting of contracts for eligible work, the Applicant/Subrecipient must comply with its Local, State (provided that the procurements conform to applicable Federal law) and Federal procurement laws, regulations, and procedures as required by FEMA Policy 2 CFR Part 200, Procurement Standards, §§ 317-326.
- The Recipient must submit its certification of the applicant's completion of all of its small projects and compliance with all environmental and historic preservation requirements within 180 days of the applicant's completion of its last small project.
- Subrecipient has chosen to participate in the Straight-Time Force Account Labor Alternative Procedure for Debris Removal. As a result, straight-time force account labor, including fringe benefits, will be reimbursed on the PW.
- The terms of the FEMA-State Agreement are incorporated by reference into this project award under the Public Assistance grant and the applicant must comply with all applicable laws, regulations, policy, and guidance. This includes, among others, the Robert T. Stafford Disaster Relief and Emergency Assistance Act; Title 44 of the Code of Federal Regulations; FEMA Policy No. 104-009-2, Public Assistance Policy and Program Guide; and other FEMA policy and guidance.
- The DHS Standard Terms and Conditions in effect as of the date of the declaration of this major disaster are incorporated by reference into this project award under the Public Assistance grant, which flow down from the Recipient to subrecipients unless a particular term or condition indicates otherwise.
- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements set forth at 2 C.F.R. pt. 200 apply to this project award under the Public Assistance grant, which flow down from the Recipient to all subrecipients unless a particular section of 2 C.F.R. pt. 200, the FEMA-State Agreement, or the terms and conditions of this project award indicate otherwise. See 2 C.F.R. §§ 200.101 and 110.
- The applicant must submit a written request through the Recipient to FEMA before it makes a change to the approved scope of work in this project. If the applicant commences work associated with a change before FEMA approves the change, it will jeopardize financial assistance for this project. See FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide.

## Insurance

## Additional Information

3/20/2019

The project was reviewed for insurance consideration. During the review we determined the applicant's complete insurance policy was not provided. We are in receipt of the applicant's property certificate of insurance which does not contain any policy language applicable to the loss or damage on this project. The applicant requested Public Assistance for widespread vegetative debris removal. These items are generally not insured or insurable. We have processed the request in the absence of the complete policy. All future request will be reviewed on a case by case basis, any insurable item will not be funded until the applicant submits all of their property insurance information for review.

Property insurance coverage for Debris Removal represented on this project are not anticipated.

FEMA does require the Applicant to take reasonable efforts to pursue claims to recover insurance proceeds that it is entitled to receive from its insurer(s). In the event that any insurance proceeds are received for these expenses those proceeds must be reduced from FEMA Public Assistance funding to ensure no duplication of benefits has occurred.

No insurance requirements will be required for this project. Insurance requirements are specific to permanent work to replace, restore, repair, reconstruct, or construct buildings, contents, equipment, or vehicles. (FEMA Recovery Policy FP 206-086-1).

No insurance Narrative will be produced or uploaded into documents or attachments.

Bobbie Smith – Insurance Specialist – CRC Central

## O&M Requirements

There are no Obtain and Maintain Requirements on **4379DR West Newbury Debris Removal**.

## Environmental Historical Preservation

Is this project compliant with EHP laws and orders?

Yes

### EHP Conditions

- Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.
- This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize funding.
- If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archaeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.

### EHP Additional Info

There is no additional environmental historical preservation on **4379DR West Newbury Debris Removal**.

## Final Reviews

### Final Review

**Reviewed By** LUCAS, DAVID A.

**Reviewed On** 03/27/2019 11:30 AM EDT

#### Review Comments

This project appears to be eligible and the cost seems reasonable.

### Recipient Review

**Reviewed By** Poliferno, Andrew R.

**Reviewed On** 04/05/2019 7:56 AM EDT

#### Review Comments

Grantee review complete, no issues identified.

## Project Signatures

**Signed By** Delp, Lee Ann

**Signed On** 04/05/2019

## Town Manager

---

**From:** DPW Director  
**Sent:** Tuesday, April 9, 2019 2:30 PM  
**To:** Town Manager  
**Subject:** RE: Plummer Spring Bridge - TIME TO PICK A BRIDGE TYPE

Angus,

I am in receipt of the most recent submittal of the DRAFT design report from BSC and have conducted a soft review of the report. There are many questions that should be answered before we bring the DRAFT forward for public discussion. For example;

1. Construction cost seems a bit lower than expected.
2. Permitting cost (and mitigation) seem much too low. About \$100,000 to \$200,000 less than I would predict.
3. No contingency included in the estimate.
4. All of \$500,000 small grant funds seems to be included in the bridge construction estimate. They need to subtract the design, engineering and testing fees from this to get the real construction cost.
5. The report estimates have some assumptions that we need to discuss in greater detail and determine how to present in a transparent way.
6. The bridge options are not all we discussed and would like to see a sidewalk option for pedestrian protection (fishing). I feel real strong about this and we should discuss the additional cost.

I would like to see at least 4-5 options.

1. Arch design with sidewalk.
2. Arch design without sidewalk.
3. Box culvert design with sidewalk.
4. Box culvert design without sidewalk.
5. Other designs as they think may be worth discussing.

Jon-Eric the City Engineer for Newburyport and I discuss the project in great detail today and are both on the same page. We need to have the draft report presented in a more transparent and accurate way that both Municipalities goals are fully met.

In summary, the design report is not where we want it to be for me to report adequate information and explain detailed design options. I would recommend we meet with the consultant BSC to resolve some of these pending issues before we share the information with the public. I want to build confidence with the public that we are deeply involved and are main stakeholders in this project and prematurely releasing incorrect and misleading information will cause more harm than good.

Wayne

---

**From:** Town Manager <townmanager@wnewbury.org>  
**Sent:** Tuesday, April 09, 2019 8:13 AM

## **BID SCHEDULE**

### **CHEMICAL INJECTION BUILDING / BEDROCK WELL; (Pre-bid)**

Pre-bid Electric – Bid submittal deadline and bid opening at 11:00 on April 9th.

Non-mandatory pre-bid conference will be held at 9:30 on April 4<sup>th</sup> at 999 Main Street (Wellfield #1).

### **CHEMICAL INJECTION BUILDING / BEDROCK WELL; (General bid)**

Bid submittal deadline and bid opening at 11:00 on April 23<sup>rd</sup>.

### **NEW BRAKE HILL WATER TANK; (General bid)**

Bid submittal deadline and bid opening at 10:00 on April 23<sup>rd</sup>.

Non-mandatory pre-bid conference will be held at 11:00 on April 4th. We will meet at the Town Offices and then all go together to the site at Hilltop Circle.

AFFIDAVIT PURSUANT TO MASSACHUSETTS GENERAL LAWS CHAPTER 30B  
SECTION 5 (d)

We, the undersigned witnesses, declare that we were this day present and observed the Chief Procurement Officer of the Town of West Newbury open bids for the Filed Sub Bids Electrical for the construction of the Meter and Chemical Injection Building and declare that the following is a complete and accurate list of the names of all bidders and the amounts of their bids opened in our presence:

BIDDER

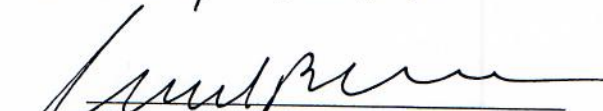
CONTRACT PRICE BID

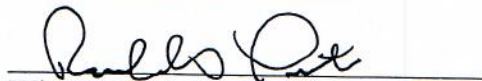
JASCO Electric. Inc \$157,000

Waterline Industries Corp \$137,677<sup>00</sup>

Fall River Electrical Associates Co. Inc \$182,900<sup>00</sup>

Signed under the pains and penalties of perjury this 9 day of April, 2019.

  
Michael P. McCarron  
Chief Procurement Officer

  
Witness

  
Witness



## ADVERTISEMENT FOR BIDS

The Town of West Newbury, shall receive General Bids at the Town of West Newbury Town Clerk's Office, 381 Main Street, West Newbury, Massachusetts 01985 for the Construction of the Brake Hill Water Storage Tank, until 10:00 A.M. prevailing time, Tuesday, April 23, 2019, at which time bids will be opened and publicly read aloud. Bids submitted after this time will not be accepted. A non-mandatory Pre-Bid Conference will be held on April 4, 2019 at 11:00 A.M. at the Town Offices at 381 Main Street, West Newbury, MA 01985, to be followed by a site visit.

The Work of this Contract consists of the installation of a 0.4 MG capacity welded steel elevated spheroid water storage tank in West Newbury, Massachusetts including associated piping and appurtenances, electrical work, a tank mixing system, site work, gravel access road, and an underground electrical and communications duct bank (approximately 1,800 linear feet) including conduit and handholes. Piping shall consist of approximately 30 linear feet of 12-inch diameter ductile iron water main to connect to a new 12-inch diameter ductile iron water main recently installed by others. Other work includes demolition of the existing 0.32 MG capacity riveted steel standpipe water storage tank.

Copies of the Contract Documents for the work may be obtained at Nashoba Blue Print, 433 Main St, Hudson, MA, upon presentation of a company or certified check drawn on a responsible bank or trust company, made payable to Tata & Howard, Inc., in the amount of \$75.00 per set of specifications and plans.

Contract Documents will be mailed to prospective bidders upon request and receipt of a separate company or certified check payable to Nashoba Blue Print in the amount of \$35.00 which will be a non-refundable mailing fee. Fedex and UPS accounts will not be accepted.

Each bid shall be accompanied by a bid security in the amount of 5% of the total bid amount and in the form described in the Instructions to Bidders. A Performance Bond and Labor and Materials Payment Bond each in the amount of 100 percent of the contract price will be required in the form described in the Instructions to Bidders. No Bidder may withdraw his bid within 30 days (Saturdays, Sundays and legal holidays excluded) after the actual date of the opening of the General Bids.

The bidding and award of this project will be under the provision of M.G.L. Chapter 30, Section 39M (MGL C.30, S.39M). Minimum wage rates as determined by the Commissioner of Department of Labor and Industries under the provision of the Massachusetts General Laws, Chapter 149, Sections 26 to 27H, as amended, apply to this project.

If the bidder views/obtains the plans and specifications from a source other than those noted in this Advertisement for Bids, the accuracy and/or completeness of the bid documents cannot be guaranteed and the bidder assumes the responsibility for obtaining any additional information regarding the project, including addenda, that may be required for bidding. Failure to acknowledge addenda issued during bidding shall designate a bid as non-responsive.

A copy of this advertisement is available on the Massachusetts Newspaper Publishers Association (MNPA) website (<http://masspublicnotices.org/>).

SECTION 00030

ADVERTISEMENT FOR BIDS

The Town of West Newbury shall receive General Bids at the West Newbury Town Offices, First Floor Conference Room, 381 Main Street, West Newbury, Massachusetts, for the Construction of the Meter and Chemical Injection Building until 11:00 AM prevailing time, April 23, 2019, at which time bids will be opened and publicly read aloud. Bids submitted after this time will not be accepted. A non-mandatory pre-bid conference will be held on Thursday, April 4, 2019 at 9:30 AM at the Meter and Chemical Injection Building site located at 999 Main Street, West Newbury, MA 01985. General Contractors and Electrical Sub-Contractors are encouraged to attend.

The Town of West Newbury shall receive Filed Sub-Bids at the West Newbury Town Offices, First Floor Conference Room, 381 Main Street, West Newbury, Massachusetts, for the Construction of the Meter and Chemical Injection Building until 11:00 AM prevailing time, April 9, 2019, at which time sub-bids will be opened and publicly read aloud. Sub-bids submitted after this time will not be accepted.

Sub-bids will be required on the work described in the following Sections and/or Divisions of the contract specifications:

Category	Reference Specification Section
Electrical	16000

The Work of this Contract generally consists of the construction of a new concrete masonry block building housing chemical feed equipment, a variable frequency drive, heating and ventilation equipment, and instrumentation for the existing bedrock well. The Work also includes furnishing and installing a submersible well pump with pitless adaptor on the existing bedrock well. Other work shall include the relocation of chemical feed injection nozzles from the existing below grade vault to the new building, modifications to the existing SCADA system to include the bedrock well, approximately 150 linear feet of 4-inch diameter ductile iron water main from the bedrock well to the new building, approximately 40 linear feet of 8-inch diameter ductile iron water main from the new building to the existing water main.

Copies of the Contract Documents for the work may be obtained at Nashoba Blue Print, 433 Main St, Hudson, MA, upon presentation of a company or certified check drawn on a responsible bank or trust company, made payable to Tata & Howard, Inc., in the amount of \$100.00 per set of specifications and plans.

Said payments will be refunded to bidders upon return of such Contract Documents in good condition to the issuing office, postpaid if mailed, within 30 days of the bid opening. Refunds will be limited to two sets of Contract Documents for each bidder or non-bidder.

Contract Documents will be mailed to prospective bidders upon request and receipt of a separate company or certified check payable to Nashoba Blue Print in the amount of \$75.00 which will be a non-refundable mailing fee.

The Contract Documents may be examined at the following locations:

West Newbury Town Offices  
Water Department  
381 Main Street  
West Newbury, Massachusetts 01985

Nashoba Blue Print  
433 Main Street  
Hudson, Massachusetts 01749

Tata & Howard, Inc.  
67 Forest Street  
Marlborough, Massachusetts 01752

Each bid shall be accompanied by a bid security in the amount of 5% of the total bid amount and in the form described in the Instructions to Bidders. A Performance Bond and Labor and Materials Payment Bond each in the amount of 100 percent of the contract price will be required in the form described in the Instructions to Bidders. Each General Bidder shall submit a DCAMM Certificate of Eligibility and Update Statement for Pumping Stations with the bid. Each Sub-Bidder shall submit a DCAMM Certificate of Eligibility and Update Statement with the Sub-Bid for the sub-trade on which they are submitting a sub-bid.

No Bidder may withdraw his bid within 30 days (Saturdays, Sundays and legal holidays excluded) after the actual date of the opening of the General Bids.

Minimum wage rates as determined by the Commissioner of Department of Labor and Industries under the provision of the Massachusetts General Laws, Chapter 149, Sections 26 to 27H, as amended, apply to this project.

If the bidder views/obtains the plans and specifications from a source other than those noted in this Advertisement for Bids, the accuracy and/or completeness of the bid documents cannot be guaranteed and the bidder assumes the responsibility for obtaining any additional information regarding the project, including addenda, that may be required for bidding. Failure to acknowledge addenda issued during bidding shall designate a bid as non-responsive.

A copy of this advertisement is available on the Massachusetts Newspaper Publishers Association (MNPA) website (<http://masspublicnotices.org/>).

The Owner reserves the right to reject any or all bids, to accept any bid, to waive any informality on bids received, to omit any item or items deemed advisable for the best interests of the Owner or to limit the extent of the Work to keep within the limits of available funds.

TOWN OF WEST NEWBURY

END OF ADVERTISEMENT FOR BIDS

## ADVERTISEMENT FOR BIDS

The Town of West Newbury, shall receive General Bids at the Town of West Newbury Town Clerk's Office, 381 Main Street, West Newbury, Massachusetts 01985 for the Construction of the Brake Hill Water Storage Tank, until 10:00 A.M. prevailing time, Tuesday, April 23, 2019, at which time bids will be opened and publicly read aloud. Bids submitted after this time will not be accepted. A non-mandatory Pre-Bid Conference will be held on April 4, 2019 at 11:00 A.M. at the Town Offices at 381 Main Street, West Newbury, MA 01985, to be followed by a site visit.

The Work of this Contract consists of the installation of a 0.4 MG capacity welded steel elevated spheroid water storage tank in West Newbury, Massachusetts including associated piping and appurtenances, electrical work, a tank mixing system, site work, gravel access road, and an underground electrical and communications duct bank (approximately 1,800 linear feet) including conduit and handholes. Piping shall consist of approximately 30 linear feet of 12-inch diameter ductile iron water main to connect to a new 12-inch diameter ductile iron water main recently installed by others. Other work includes demolition of the existing 0.32 MG capacity riveted steel standpipe water storage tank.

Copies of the Contract Documents for the work may be obtained at Nashoba Blue Print, 433 Main St, Hudson, MA, upon presentation of a company or certified check drawn on a responsible bank or trust company, made payable to Tata & Howard, Inc., in the amount of \$75.00 per set of specifications and plans.

Contract Documents will be mailed to prospective bidders upon request and receipt of a separate company or certified check payable to Nashoba Blue Print in the amount of \$35.00 which will be a non-refundable mailing fee. Fedex and UPS accounts will not be accepted.

Each bid shall be accompanied by a bid security in the amount of 5% of the total bid amount and in the form described in the Instructions to Bidders. A Performance Bond and Labor and Materials Payment Bond each in the amount of 100 percent of the contract price will be required in the form described in the Instructions to Bidders. No Bidder may withdraw his bid within 30 days (Saturdays, Sundays and legal holidays excluded) after the actual date of the opening of the General Bids.

The bidding and award of this project will be under the provision of M.G.L. Chapter 30, Section 39M (MGL C.30, S.39M). Minimum wage rates as determined by the Commissioner of Department of Labor and Industries under the provision of the Massachusetts General Laws, Chapter 149, Sections 26 to 27H, as amended, apply to this project.

If the bidder views/obtains the plans and specifications from a source other than those noted in this Advertisement for Bids, the accuracy and/or completeness of the bid documents cannot be guaranteed and the bidder assumes the responsibility for obtaining any additional information regarding the project, including addenda, that may be required for bidding. Failure to acknowledge addenda issued during bidding shall designate a bid as non-responsive.

A copy of this advertisement is available on the Massachusetts Newspaper Publishers Association (MNPA) website (<http://masspublicnotices.org/>).

## ADVERTISEMENT FOR BIDS

The Town of West Newbury shall receive General Bids at the West Newbury Town Offices, First Floor Conference Room, 381 Main Street, West Newbury, Massachusetts, for the Construction of the Meter and Chemical Injection Building until 11:00 AM prevailing time, April 23, 2019, at which time bids will be opened and publicly read aloud. Bids submitted after this time will not be accepted. A non-mandatory pre-bid conference will be held on Thursday, April 4, 2019 at 9:30 AM at the Meter and Chemical Injection Building site located at 999 Main Street, West Newbury, MA 01985. General Contractors and Electrical Sub-Contractors are encouraged to attend.

The Town of West Newbury shall receive Filed Sub-Bids at the West Newbury Town Offices, First Floor Conference Room, 381 Main Street, West Newbury, Massachusetts, for the Construction of the Meter and Chemical Injection Building until 11:00 AM prevailing time, April 9, 2019, at which time sub-bids will be opened and publicly read aloud. Sub-bids submitted after this time will not be accepted.

Sub-bids will be required on the work described in the following Sections and/or Divisions of the contract specifications:

Category	Reference Specification Section
Electrical	16000

The Work of this Contract generally consists of the construction of a new concrete masonry block building housing chemical feed equipment, a variable frequency drive, heating and ventilation equipment, and instrumentation for the existing bedrock well. The Work also includes furnishing and installing a submersible well pump with pitless adaptor on the existing bedrock well. Other work shall include the relocation of chemical feed injection nozzles from the existing below grade vault to the new building, modifications to the existing SCADA system to include the bedrock well, approximately 150 linear feet of 4-inch diameter ductile iron water main from the bedrock well to the new building, approximately 40 linear feet of 8-inch diameter ductile iron water main from the new building to the existing water main.

Copies of the Contract Documents for the work may be obtained at Nashoba Blue Print, 433 Main St, Hudson, MA, upon presentation of a company or certified check drawn on a responsible bank or trust company, made payable to Tata & Howard, Inc. in the amount of \$100.00 per set of specifications and plans.

Said payments will be refunded to bidders upon return of such Contract Documents in good condition to the Issuing office, postpaid if mailed, within 30 days of the bid opening. Refunds will be limited to two sets of Contract Documents for each bidder or non-bidder.

Contract Documents will be mailed to prospective bidders upon request and receipt of a separate company or certified check payable to Nashoba Blue Print in the amount of \$75.00 which will be a non-refundable mailing fee.

The Contract Documents may be examined at the following locations:

West Newbury Town Offices  
 Water Department  
 381 Main Street  
 West Newbury, Massachusetts 01985  
 Nashoba Blue Print  
 433 Main Street  
 Hudson, Massachusetts 01749  
 Tata & Howard, Inc.  
 67 Forest Street  
 Marlborough, Massachusetts 01752

Each bid shall be accompanied by a bid security in the amount of 5% of the total bid amount and in the form described in the Instructions to Bidders. A Performance Bond and Labor and Materials Payment Bond each in the amount of 100 percent of the contract price will be required in the form described in the Instructions to Bidders. Each General Bidder shall submit a DCAMM Certificate of Eligibility and Update Statement for Pumping Stations with the bid. Each Sub-Bidder shall submit a DCAMM Certificate of Eligibility and Update Statement with the Sub-Bid for the sub-trade on which they are submitting a sub-bid.

No Bidder may withdraw his bid within 30 days (Saturdays, Sundays and legal holidays excluded) after the actual date of the opening of the General Bids.

Minimum wage rates as determined by the Commissioner of Department of Labor and Industries under the provision of the Massachusetts General Laws, Chapter 149, Sections 26 to 27H, as amended, apply to this project.

If the bidder views/obtains the plans and specifications from a source other than those noted in this Advertisement for Bids, the accuracy and/or completeness of the bid documents cannot be guaranteed and the bidder assumes the responsibility for obtaining any additional information regarding the project, including addenda, that may be required for bidding. Failure to acknowledge addenda issued during bidding shall designate a bid as non-responsive.

A copy of this advertisement is available on the Massachusetts Newspaper Publishers Association (MNPA) website (<http://masspublicnotices.org/>).

The Owner reserves the right to reject any or all bids, to accept any bid, to waive any informality on bids received, to omit any item or items deemed advisable for the best interests of the Owner or to limit the extent of the Work to keep within the limits of available funds.

TOWN OF WEST NEWBURY  
 NT - 3/21/19