



January 5, 2024

Katie Medina
Town Accountant
Town of Winchendon
109 Front Street
Winchendon, MA 01475

Dear Ms. Medina:

During the Division of Local Services' (DLS) review of the FY2024 revenue estimates on the Sewer and Water Enterprise Fund A-2's included as part of the tax rate recap, we noted that in both funds revenue estimates were not realized in the prior year. Further, we noted that for the sewer enterprise fund, certified retained earnings were negative in three of the last five years. For FY2024, we noted again, increases in revenue estimates in both funds were not supported by a general fund subsidy or voted rate increase in an amount sufficient to cover the FY2024 estimates. The user fee increase for Sewer Enterprise was 6.08% with a voted rate increase of 3% and the Water Enterprise user fee increase was 19.53% with a voted rate increase of 8%.

Should the FY2024 actual revenues in either fund not meet estimates, in FY2025 DLS will not allow revenue estimates in excess of actual FY2024 collections, unless there is rate increase that justifies an increase in revenue. If necessary, the Town can vote a general fund subsidy. Any calculated retained earnings deficit must be provided for on the FY2025 recap.

If you have any questions, please contact me or your field representative, Jared Curtis at curtisi@dor.state.ma.us.

Sincerely,

Deborah Wagner
Director of Accounts

Cc: Bill McKinney, Town Manager
Audrey LaBrie, Selectboard Chair
Anthony Rassias, Deputy Director of Accounts
Jared Curtis, Supervisor, Western Regional Office