

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Report on the Examination of Basic Financial Statements
For the Year Ended June 30, 2019

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of West Brookfield, Massachusetts

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of West Brookfield, Massachusetts, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of West Brookfield, Massachusetts' 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. 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, each major fund, and the aggregate remaining fund information of the Town of West Brookfield, Massachusetts, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan and other postemployment benefit plan schedules as listed on the table of contents be presented to supplement the 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 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of West Brookfield, Massachusetts' basic financial statements. The Supplementary Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Scanlon & Associates, LLC
South Deerfield, Massachusetts

July 10, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of West Brookfield, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$8,314,330 (net position) for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$8,434,070, or a decrease of \$119,740 (1%).
- At the close of the current fiscal year, the Town's total governmental funds reported total ending fund balance of \$4,757,250 this year, an increase of \$292,909 (7%).
- The General Fund's total fund balance increased \$81,709 (3%) to \$2,837,028. The ending General fund balance is 37% of revenues and transfers in; and 38% of expenditures and transfers out.
- Total liabilities of the Town increased by \$746,459 (13%) to \$6,646,073 during the fiscal year. This was mainly attributed to net increases in bonds payable of \$197,000 and in the pension liability of \$458,829.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$597,310. The key factors that attributed to the free cash amount for fiscal year 2019 were unexpended/unencumbered appropriations of \$235,500 and excess over budget state, local receipts of \$156,700 and excess over budget other financing sources of \$33,700.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, public works, water, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The Town does not have any functions classified as business-type activities.

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town’s own programs.

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

Financial Highlights

Statement of Net Position Highlights

	Governmental Activities		
	2019	2018	Change
Assets:			
Current assets	\$ 6,175,682	\$ 5,790,012	\$ 385,670
Capital assets	8,584,236	8,651,512	(67,276)
Total assets	14,759,918	14,441,524	318,394
Deferred Outflows of Resources	572,268	382,943	189,325
Liabilities:			
Current liabilities (excluding debt)	390,007	318,402	71,605
Current debt	91,000	43,000	48,000
Noncurrent liabilities (excluding debt)	5,887,066	5,380,134	506,932
Noncurrent debt	278,000	129,000	149,000
Total liabilities	6,646,073	5,870,536	775,537
Deferred Inflows of Resources	371,783	519,861	(148,078)
Net Position:			
Net Investment in Capital Assets	8,215,236	8,479,512	(264,276)
Restricted	1,731,564	1,557,605	173,959
Unrestricted	(1,632,470)	(1,603,047)	(29,423)
Total net position	\$ 8,314,330	\$ 8,434,070	\$ (119,740)

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2019	2018	Change
Program Revenues:			
Charges for services	\$ 636,537	\$ 626,340	\$ 10,197
Operating grants and contributions	709,157	622,453	86,704
Capital grants and contributions	280,027	1,271,938	(991,911)
General Revenues:			
Property taxes	5,843,842	5,815,309	28,533
Motor vehicle and other taxes	564,790	592,101	(27,311)
Penalties and interest on taxes	54,431	79,453	(25,022)
Nonrestricted grants	555,284	547,107	8,177
Unrestricted investment income	75,031	23,249	51,782
Gain/(Loss) on sale of capital assets	-	83,318	(83,318)
Miscellaneous	2,902	2,609	293
Total revenues	8,722,001	9,663,877	(941,876)
Expenses:			
General government	628,391	678,228	(49,837)
Public safety	1,049,358	1,122,498	(73,140)
Public works	1,128,357	1,106,136	22,221
Water	488,851	407,432	81,419
Education	3,932,019	3,961,196	(29,177)
Health and human services	231,756	218,060	13,696
Culture and recreation	330,285	332,120	(1,835)
Employee benefits and insurance	972,200	856,225	115,975
State assessments	69,488	93,629	(24,141)
Interest	11,036	4,302	6,734
Total expenses	8,841,741	8,779,826	61,915
Net (expenses) revenues	(119,740)	884,051	(1,003,791)
Contributions to permanent funds	-	1,500	(1,500)
Change in net position	(119,740)	885,551	(1,003,791)
Net position - beginning of year	8,434,070	7,548,519	885,551
Net position - end of year	\$ 8,314,330	\$ 8,434,070	\$ (119,740)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,314,330 at the close of fiscal year 2019.

Net position of \$8,215,236 reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$1,731,564 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$1,632,470).

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

The governmental activities net position decreased by \$119,740 (1%) during the current fiscal year. The key elements of the decrease in net position for fiscal year 2019 was attributed to increases in the change in governmental fund balances of \$292,909 and in the deferred outflow/(inflow) of resources related to pensions of \$297,297; and net decreases from the change in debt of \$197,000 and as a result of recognizing this year's pension liability of \$458,829.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$4,757,250, an increase of \$292,909 (7%) in comparison with the prior year.

The breakdown of the governmental fund balances is as follows:

- Nonspendable fund balance – \$296,582 (6%).
- Restricted fund balance – \$1,205,478 (25%).
- Committed fund balance – \$530,741 (11%).
- Assigned fund balance – \$687,966 (15%).
- Unassigned fund balance – \$2,036,483 (43%).

At the end of the fiscal year, the *General Fund* reported a fund balance of \$2,837,028 increasing \$81,709 (3%) from the prior year. Of the \$2,837,028, the unassigned amount is \$2,148,514 (75.7%), the assigned amount is \$687,966 (24.2%) and the restricted amount is \$548 (.1%). General fund revenues were \$116,655 (2%) more than the prior fiscal year and expenditures also increased by \$72,923 (1%). Other activities in the General Fund were net transfers to other funds of \$21,077.

The main components of the increase in general fund revenues are related to the increases in property taxes in the amount of \$74,109 (1%) and in intergovernmental receipts of \$71,888 (9%); and a decrease in excise and other taxes of \$61,999 (10%) from the prior year.

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

- Increase in General government expenditures of \$35,103 (6%).
- Decrease in Education expenditures of \$29,177 (1%).
- Increase in Employee benefits and insurance of \$63,849 (9%).

The *Water Fund* is the financing and operations of the Town's water system. The water fund has accumulated a balance of \$475,004 and shows an increase of \$24,111 (5%) in total operations. This change resulted from revenues exceeding expenditures by \$3,034 and transfers from the general fund of \$21,077. Revenues increased by \$17,556 (5%) while operating expenses decreased by \$93,933 (21%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2019 was \$8,002,201. This was an increase of \$15,112 (.2%) over the previous year's budget.

There were adjustments between various budget operating line items of the original budget and the total final amended budget.

General fund expenditures were less than budgeted by \$503,267. Of the \$503,267 in under budget expenditures, \$267,740 has been carried over to fiscal year 2020.

There is a negative variance in intergovernmental receipts of \$16,235 as the expectation (budget) was higher than the receipts.

The variance with the final budget was a positive \$478,715 consisting of a revenue surplus of \$243,188 and an appropriation surplus of \$235,527.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$8,584,236.

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

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

- Town Hall boiler replacement for \$46,011.
- Fire Department equipment purchase for \$10,997.
- Highway vehicle and equipment purchases for \$251,994.
- Road and sidewalk infrastructure improvements for \$308,489.

Debt Administration. The Town's outstanding governmental debt, as of June 30, 2019, totaled \$369,000 for departmental vehicles and equipment.

Please refer to notes 4D, 4F and 4G for further discussion of the major capital assets and debt activity.

Next Year's Annual Town Meeting

The Town of West Brookfield operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2019 do not reflect the fiscal year 2020 Town Meeting action with the exceptions of the free cash amount.

The Annual Town Meeting on June 4, 2019 authorized a fiscal year 2020 operating and capital budget as follows:

From the tax levy	\$ 7,916,845
From Other Available Funds:	
General Fund:	
Unassigned fund balance:	
Free cash	420,226
Water Fund:	
Retained earnings	264,400
	<hr/>
	\$ 8,601,471
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Requests for Information

This financial report is designed to provide a general overview of the Town of West Brookfield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, Town Hall, 2 East Main Street, West Brookfield, Massachusetts 01585.

BASIC FINANCIAL STATEMENTS

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government
	Governmental
	Activities
ASSETS	
CURRENT:	
Cash and Cash Equivalents	\$ 2,399,850
Investments	2,516,565
Receivables, net of allowance for uncollectibles:	
Property Taxes	449,435
Tax Liens	211,455
Excise Taxes	99,454
User Charges	70,069
Departmental	4,755
Due from Other Governments	424,099
Total current assets	6,175,682
NONCURRENT:	
Capital Assets, net of accumulated Depreciation	
Nondepreciable	512,187
Depreciable	8,072,049
Total noncurrent assets	8,584,236
Total Assets	14,759,918
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	465,560
Deferred Outflows Related to OPEB	106,708
Total Deferred Outflows of Resources	572,268
LIABILITIES	
CURRENT:	
Warrants Payable	188,526
Accrued Payroll	82,477
Payroll Withholdings	22,128
Tax Refund Payable	40,300
Other	8,053
Accrued Interest	10,685
Compensated Absences	37,838
Bonds Payable	91,000
Total current liabilities	481,007
NONCURRENT:	
Compensated Absences	151,355
Net OPEB Liability	1,520,675
Net Pension Liability	4,215,036
Bonds Payable	278,000
Total noncurrent liabilities	6,165,066
Total Liabilities	6,646,073
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	305,181
Deferred Inflows Related to OPEB	66,602
Total Deferred Inflows of Resources	371,783
NET POSITION	
Net Investment in Capital Assets	8,215,236
Restricted for:	
Capital Projects	8,206
Federal & State Grants	436,111
Permanent Funds:	
Expendable	435,262
Nonexpendable	296,582
Other Purposes	555,403
Unrestricted	(1,632,470)
Total Net Position	\$ 8,314,330

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 628,391	\$ 39,644	\$ 182,317	\$ -
Public Safety	1,049,358	173,492	1,670	-
Public Works	1,128,357	33,252	2,680	280,027
Water	488,851	366,151	-	-
Education	3,932,019	-	399,298	-
Health and Human Services	231,756	23,998	65,995	-
Culture and Recreation	330,285	-	57,197	-
Employee Benefits and Insurance	972,200	-	-	-
State Assessments	69,488	-	-	-
Interest	11,036	-	-	-
Total Governmental Activities	8,841,741	636,537	709,157	280,027
Total Primary Government	\$ 8,841,741	\$ 636,537	\$ 709,157	\$ 280,027
				(7,216,020)
				5,843,842
				564,790
				54,431
				555,284
				75,031
				2,902
				7,096,280
				(119,740)
				8,434,070
				\$ 8,314,330
				5,843,842
				564,790
				54,431
				555,284
				75,031
				2,902
				7,096,280
				(119,740)
				8,434,070
				\$ 8,314,330

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Water Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 1,663,139	\$ 508,807	\$ 227,904	\$ 2,399,850
Investments	1,416,797	-	1,099,768	2,516,565
Receivables, net of allowance for uncollectibles:				
Property Taxes	449,435	-	-	449,435
Tax Liens	211,455	-	-	211,455
Excise Taxes	99,454	-	-	99,454
User Charges	-	70,069	-	70,069
Departmental	-	-	4,755	4,755
Due from Other Governments	35,631	-	388,468	424,099
Total Assets	\$ 3,875,911	\$ 578,876	\$ 1,720,895	\$ 6,175,682
Liabilities:				
Warrants Payable	\$ 124,235	\$ 27,727	\$ 36,564	\$ 188,526
Accrued Payroll	66,792	6,076	9,609	82,477
Payroll Withholdings	22,128	-	-	22,128
Tax Refund Payable	40,300	-	-	40,300
Other	8,053	-	-	8,053
Total Liabilities	261,508	33,803	46,173	341,484
Deferred Inflows of Resources:				
Unavailable Revenue	777,375	70,069	229,504	1,076,948
Fund Balance:				
Nonspendable	-	-	296,582	296,582
Restricted	548	-	1,204,930	1,205,478
Committed	-	475,004	55,737	530,741
Assigned	687,966	-	-	687,966
Unassigned	2,148,514	-	(112,031)	2,036,483
Total Fund Balance	2,837,028	475,004	1,445,218	4,757,250
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,875,911	\$ 578,876	\$ 1,720,895	\$ 6,175,682

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Water Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 5,797,020	\$ -	\$ -	\$ 5,797,020
Intergovernmental	907,272	-	378,298	1,285,570
Excise and Other Taxes	571,744	-	-	571,744
Licenses, Permits, Fees	196,222	-	-	196,222
Charges for Services	-	365,471	150,515	515,986
Interest on Taxes	54,431	-	-	54,431
Investment Income	75,031	-	60,238	135,269
Gifts and Donations	-	-	43,686	43,686
Other	-	-	95,990	95,990
Total Revenues	7,601,720	365,471	728,727	8,695,918
Expenditures:				
Current:				
General Government	633,616	-	20,208	653,824
Public Safety	853,764	-	126,416	980,180
Public Works	789,086	-	556,451	1,345,537
Water	-	362,437	7,880	370,317
Education	3,909,214	-	-	3,909,214
Health and Human Services	169,520	-	27,642	197,162
Culture and Recreation	231,939	-	43,041	274,980
Employee Benefits and Insurance	795,093	-	-	795,093
State Assessments	69,488	-	-	69,488
Debt Service:				
Principal	43,000	-	-	43,000
Interest	4,214	-	-	4,214
Total Expenditures	7,498,934	362,437	781,638	8,643,009
Excess of Revenues Over (Under) Expenditures	102,786	3,034	(52,911)	52,909
Other Financing Sources (Uses):				
Operating Transfers In	13,923	35,000	-	48,923
Operating Transfers Out	(35,000)	(13,923)	-	(48,923)
Proceeds from Issuance of Bonds and Notes	-	-	240,000	240,000
Total Other Financing Sources (Uses)	(21,077)	21,077	240,000	240,000
Net Change in Fund Balances	81,709	24,111	187,089	292,909
Fund Balances, Beginning of Year	2,755,319	450,893	1,258,129	4,464,341
Fund Balances, End of Year	\$ 2,837,028	\$ 475,004	\$ 1,445,218	\$ 4,757,250

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2019

Total Governmental Fund Balances		\$	4,757,250
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.			8,584,236
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.			200,485
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.			1,076,948
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:			
Bonds Payable	\$	(369,000)	
Net Other Post Employment Benefits Liability		(1,520,675)	
Net Pension Liability		(4,215,036)	
Compensated Absences		(189,193)	(6,293,904)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.			(10,685)
Net Position of Governmental Activities		\$	8,314,330

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$	292,909
<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 are reported as depreciation expense:</p>		
Capital Outlay Purchases	\$ 617,491	
Depreciation	<u>(684,767)</u>	(67,276)
<p>Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.</p>		
		26,083
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>		
Proceeds from Bonds and Notes	(240,000)	
Repayment of Debt Principal	<u>43,000</u>	(197,000)
<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 governmental funds:</p>		
Net Change in Compensated Absences	9,473	
Net Change in Net Other Post Employment Benefits Liability	(55,681)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	40,106	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	297,297	
Net Change in Net Pension Liability	(458,829)	
Net Change in Accrued Interest on Long-Term Debt	<u>(6,822)</u>	(174,456)
Change in Net Position of Governmental Activities	\$	<u>(119,740)</u>

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>				Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried Forward from Prior Year	Original Budget	Final Budget				
Revenues:							
Property Taxes	\$ -	\$ 5,751,142	\$ 5,751,142	\$ 5,837,620	\$ -	\$ 86,478	
Intergovernmental	-	923,507	923,507	907,272	-	(16,235)	
Excise and Other Taxes	-	524,000	524,000	571,744	-	47,744	
Licenses, Permits, Fees	-	96,000	96,000	196,222	-	100,222	
Interest on Taxes	-	50,000	50,000	54,431	-	4,431	
Investment Income	-	20,000	20,000	40,548	-	20,548	
Total Revenues	-	7,364,649	7,364,649	7,607,837	-	243,188	
Expenditures:							
Current:							
General Government	179,887	666,846	838,317	633,616	143,406	61,295	
Public Safety	17,019	862,419	877,438	853,764	6,607	17,067	
Public Works	144,673	714,192	881,635	789,086	76,882	15,667	
Education	-	3,925,230	3,925,230	3,909,214	-	16,016	
Health and Human Services	-	193,186	194,925	169,520	-	25,405	
Culture and Recreation	28,149	247,283	275,432	231,939	34,986	8,507	
Employee Benefits and Insurance	-	831,820	817,727	795,093	877	21,757	
State Assessments	-	92,416	92,416	69,488	-	22,928	
Debt Service:							
Principal	43,000	43,000	86,000	43,000	-	43,000	
Interest	8,867	4,214	13,081	4,214	4,982	3,885	
Total Expenditures	421,595	7,580,606	8,002,201	7,498,934	267,740	235,527	
Excess of Revenues Over (Under) Expenditures	(421,595)	(215,957)	(637,552)	108,903	(267,740)	478,715	
Other Financing Sources (Uses):							
Operating Transfers In	-	-	-	13,923	-	13,923	
Operating Transfers Out	-	(19,810)	(19,810)	-	-	19,810	
Total Other Financing Sources (Uses)	-	(19,810)	(19,810)	13,923	-	33,733	
Net Change in Budgetary Fund Balance	(421,595)	(235,767)	(657,362)	\$ 122,826	\$ (267,740)	\$ 512,448	
Other Budgetary Items:							
Free Cash and Other Reserves	-	320,307	320,307				
Prior Year Deficits	-	(84,540)	(84,540)				
Prior Year Encumbrances	421,595	-	421,595				
Total Other Budgetary Items	421,595	235,767	657,362				
NET BUDGET	\$ -	\$ -	\$ -				

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2019

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 7,607,837	\$ 7,498,934
<i>Adjustments:</i>		
Activity for Stabilization Fund Recorded in the General Fund for GAAP Purposes	34,483	-
Net Decrease in Revenue from recording Refund Taxes Payable	(23,200)	-
Net Decrease in Revenue from Recording 60-Day Receipts	(17,400)	-
Reported on a GAAP Basis	\$ 7,601,720	\$ 7,498,934

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Other Post Employment Benefit Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ -	\$ 132,731
Investments	221,659	-
Total Assets	221,659	132,731
LIABILITIES		
Warrants Payable	-	1,597
Due to Others	-	40,434
Escrows and Deposits	-	90,700
Total Liabilities	-	132,731
NET POSITION		
Held in Trust for Other Purposes	\$ 221,659	\$ -

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Other Post Employment Benefit Trust Fund
Additions:	
Employer Contributions	\$ 109,144
Investment Income	20,404
Total Additions	129,548
Deductions:	
Employee Benefits and Insurance	59,144
Total Deductions	59,144
Change in Net Position	70,404
Net Position at Beginning of Year	151,255
Net Position at End of Year	\$ 221,659

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1848 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected three-member Board of Selectmen.

For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. In fiscal year 2019, it was determined that no entities met the required GASB-39 and GASB-61 criteria for component units.

The Town is responsible for electing the governing boards of the West Brookfield Housing Authority and the Quaboag Regional School District. The West Brookfield Rescue Squad, Inc. is a non-profit organization that provides ambulance services to the Town. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board or receiving service from the organization. Audited financial statements are available from the respective organizations. Descriptions of the related organizations are as follows:

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

Quaboag Regional District School - A regional school district made up of two communities to serve and provide a learning experience. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects six district committee members for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

West Brookfield Rescue Squad, Inc. - A non-profit corporation that provides ambulance services to the Town. The corporation is a separate entity. The corporation is responsible for both the operating and capital costs related to the ambulance and operates independently from the Town.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund financial statements

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

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

Major Fund Criteria

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

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

and

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

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

Fiduciary funds are reported by fund type.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

Government-Wide Financial Statements

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

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

The *water fund* is a special revenue fund used to account for the accumulation of resources to provide water services to the Town's citizens.

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

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

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

Additionally, the Town reports the following fund types:

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

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

The *agency fund* is used to account for assets held in a purely custodial capacity.

D. Cash and Cash Equivalents

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

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

E. Investments

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

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

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

Level 3 inputs are unobservable for the asset or liability.

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Additional investment disclosures are presented in these Notes.

F. Receivables

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

Property Taxes and Tax Liens

Property taxes are based on assessments as of January 1, 2018 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for fiscal year 2019 on June 29, 2018 that were due on August 1, 2018 and November 1, 2018 and the actual tax bills were mailed on December 31, 2018 that were due on February 1, 2019 and May 1, 2019, respectively.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2019 is as follows:

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2019	\$ 5,907,603
Add: Debt Exclusion	39,514
Maximum Allowable Levy	\$ 5,947,117

The total amount raised by taxation was \$5,906,798.

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Excise Taxes

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

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

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

User Charges

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

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

Departmental

Departmental receivables consist of housing rehabilitation loans and septic repair loans that were given by the Town to individuals and businesses. Upon issuance, a receivable is recorded for the principal amount of the loan.

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

Due from Other Governments

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

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

G. Capital Assets

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

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

Capital Asset Type	Years
Buildings and renovations	10-30
Machinery, equipment and other	3-15
Infrastructure	20-40

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

H. Interfund Transfers

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

In the government-wide financial statements, operating transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities.

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

I. Deferred Outflows/Inflows of Resources

Government-wide financial statements

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

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

Fund financial statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property, excise and other taxes; user charges, departmental revenue and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

J. Net Position and Fund Balances

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

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

Net position has been “restricted for” the following:

“Capital projects” represents amounts restricted for capital purposes.

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

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

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

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

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

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

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

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

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

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

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

K. Long-term Debt

Long-term debt of the primary government is reported as liabilities in the government-wide statement of net position.

The face amount of governmental funds long-term debt is reported as other financing sources.

L. Compensated Absences

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts up to a maximum of 120 days. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

M. Pension Benefits

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

N. Post Retirement Benefits

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's 65% share of insurance premiums in the general fund in the fiscal year paid.

O. Use of Estimates

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

P. Total Column

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

- Department heads prepare their budgets.
- Department heads who are elected submit their budgets to the advisory board. Non-elected department heads submit their budgets to the Board of Selectmen who then passes it on to the advisory board.
- Budgets are to be submitted by January 1st.
- The advisory board and Board of Selectmen review the budgets and meet with the department heads.
- The advisory board submits the budget to Town meeting.
- The budget is legally enacted by vote at the annual Town meeting.
- Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

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

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

For fiscal year 2019, the Town incurred a final budget deficit of \$657,362 for the General Fund.

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

Unassigned fund balance:	
Free cash votes	\$ 320,307
Prior year deficits	(84,540)
Prior year's encumbrances	421,595
	<hr/>
	\$ 657,362
	<hr/>

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

B. Deficit Fund Balances

The following funds have deficits at June 30, 2019 as measured by the balances of unreserved fund balance.

- The *State Aid to Highway grants* special revenue account has a deficit of \$97,580. The deficit will be eliminated upon the appropriation of funds.
- Various *Public Safety Grants* special revenue funds have deficits totaling \$14,451 (Emergency Management Performance Grant of \$551, Police Body Camera grant fund of \$7,196 and the Assistance to Firefighters grant fund of \$6,704). These deficits will be eliminated upon the appropriation of funds.

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2019 were \$2,560,833. Of these, none are exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies

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

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

As of June 30, 2019, the Town had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 to 5
Debt Securities:			
U. S. treasury obligations	\$ 282,108	\$ 227,152	\$ 54,956
U. S. government agencies	199,702	50,022	149,680
Corporate bonds	370,129	34,930	335,199
Money market mutual fund	53,833	53,833	-
	<u>905,772</u>	<u>\$ 365,937</u>	<u>\$ 539,835</u>
Other Investments:			
Certificate of deposits	444,937		
Equity securities-domestic stocks	353,062		
Mutual funds	220,944		
MMDT	813,509		
	<u>\$ 2,738,224</u>		

Custodial Credit Risks

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$2,738,224 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

Interest Rate Risk

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Credit Risk

The Town's exposure to credit risk as of June 30, 2019 is as follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<i>U. S. Treasury Obligations:</i>	
Aaa	\$ 282,108
<i>U. S. Government Agencies:</i>	
Aaa	199,702
<i>Corporate Bonds:</i>	
Aa3	74,756
A1	113,397
A2	108,237
Baa1	73,739
<i>Money Market Mutual Funds:</i>	
Not rated	53,833
	\$ 905,772

Concentration of Credit Risk

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

Fair Value of Investments

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

The Town has the following recurring fair value measurements as of June 30, 2019:

Investment Type	Fair Value	Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U. S. government agencies	\$ 199,702	\$ 199,702	\$ -	\$ -
Certificate of deposits	444,937	444,937	-	-
Equity securities - domestic	353,062	353,062	-	-
Money market mutual fund	53,833	53,833	-	-
Mutual funds	220,944	220,944	-	-
Corporate bonds	370,129	-	370,129	-
	1,924,715	\$ 1,554,586	\$ 370,129	\$ -
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	813,509			
Total Investments	\$ 2,738,224			

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

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

B. Receivables

At June 30, 2019, receivables for the individual major governmental funds, non-major governmental funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts of the primary government, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 449,835	\$ (400)	\$ 449,435
Tax liens	211,455	-	211,455
Excise taxes	168,840	(69,386)	99,454
User charges	70,569	(500)	70,069
Departmental	4,755	-	4,755
Due from other governments	424,099	-	424,099
	\$ 1,329,553	\$ (70,286)	\$ 1,259,267

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

The composition of amounts due from other governments as of June 30, 2019 for governmental funds is as follows:

General Fund:	
Commonwealth of Massachusetts:	
Department of Veterans Services:	
Veterans benefits	\$ 35,631
Nonmajor Governmental Funds:	
Commonwealth of Massachusetts:	
Massachusetts Department of Transportation:	
Highway Department - Chapter 90 funds	388,468
	\$ 424,099

C. Deferred Inflows of Resources – Unavailable Revenue

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

General Fund:	
Property taxes	\$ 430,835
Tax liens	211,455
Excise taxes	99,454
Due from other governments	35,631
	\$ 777,375
Water Fund:	
User charges	70,069
Nonmajor Governmental Funds:	
Departmental	4,755
Due from other governments	224,749
	\$ 1,076,948

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

D. Capital Assets

Capital asset activity for the year ended June 30, 2019, is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 512,187	\$ -	\$ -	\$ 512,187
Total capital assets not being depreciated	512,187	-	-	512,187
Capital assets being depreciated:				
Buildings and Renovations	4,634,778	46,011	-	4,680,789
Machinery, equipment and other	3,048,341	262,991	-	3,311,332
Infrastructure	8,474,556	308,489	-	8,783,045
Total capital assets being depreciated	16,157,675	617,491	-	16,775,166
Less accumulated depreciation for:				
Buildings and Renovations	3,025,500	161,621	-	3,187,121
Machinery, equipment and other	2,569,863	192,827	-	2,762,690
Infrastructure	2,422,987	330,319	-	2,753,306
Total accumulated depreciation	8,018,350	684,767	-	8,703,117
Total capital assets being depreciated, net	8,139,325	(67,276)	-	8,072,049
Total governmental activities capital assets, net	\$ 8,651,512	\$ (67,276)	\$ -	\$ 8,584,236

Depreciation expense was charged to functions/programs of the governmental type activities as follows:

Governmental Activities:			
General government		\$	44,290
Public safety			84,826
Public works			335,832
Education			22,805
Health and human services			31,769
Culture and recreation			53,379
Water			111,866
Total depreciation expense - governmental activities		\$	684,767

E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2019, are summarized below:

Transfers Out:	Transfers In:		
	General fund	Water fund	Total
General fund	\$ -	\$ 35,000	\$ 35,000
Water fund	13,923	-	13,923
Total transfers out	\$ 13,923	\$ 35,000	\$ 48,923

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

F. Long Term Debt

General Obligation Bonds

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

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

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2019
Inside Debt:					
Highway equipment	2.45%	7/28/2016	7/28/2021	\$ 215,000	\$ 129,000
Highway vehicle	3.60%	8/7/2018	8/2/2023	240,000	240,000
Total governmental type debt					<u>\$ 369,000</u>

Future Debt Service

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2019 are as follows:

Year	Principal	Interest	Total
2020	\$ 91,000	\$ 11,657	\$ 102,657
2021	91,000	9,019	100,019
2022	91,000	6,237	97,237
2023	48,000	3,456	51,456
2024	48,000	1,728	49,728
	<u>\$ 369,000</u>	<u>\$ 32,097</u>	<u>\$ 401,097</u>

A summary of the changes in governmental activities liabilities during the year is as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds	\$ 172,000	\$ 240,000	\$ 43,000	\$ 369,000	\$ 91,000
Compensated absences	198,666	-	9,473	189,193	37,838
Net OPEB liability	1,464,994	55,681	-	1,520,675	-
Net pension liability	3,756,207	458,829	-	4,215,036	-
Governmental activity					
Long-term liabilities	<u>\$ 5,591,867</u>	<u>\$ 754,510</u>	<u>\$ 52,473</u>	<u>\$ 6,293,904</u>	<u>\$ 128,838</u>

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Legal Debt Limit

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2019 totaled \$369,000.

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

The following is a computation of the legal debt limit as of June 30, 2019:

Equalized Valuation-Real Estate and Personal Property (2018)		\$ 391,008,700
Debt Limit: 5 % of Equalized value		<u>19,550,435</u>
Total Debt Outstanding	\$ 369,000	
Less: Debt Outside Debt Limit	<u>-</u>	<u>369,000</u>
Inside Debt Excess Borrowing Capacity at June 30, 2019		<u>\$ 19,181,435</u>

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt. The Town does not have loan authorizations at June 30, 2019.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

G. Fund Balances

The following is a summary of the Governmental fund balances at the year ended June 30, 2019:

	General Fund	Water Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Permanent funds	\$ -	\$ -	\$ 296,582	\$ 296,582
Restricted:				
Federal, state and local grants	-	-	211,362	211,362
Town revolving funds	-	-	48,037	48,037
Donations and gifts	-	-	84,792	84,792
Capital projects	-	-	8,206	8,206
Debt service	548	-	-	548
Permanent funds	-	-	435,262	435,262
Other	-	-	417,271	417,271
	<u>548</u>	<u>-</u>	<u>1,204,930</u>	<u>1,205,478</u>
Committed:				
Capital projects	-	-	40,005	40,005
Water Fund	-	475,004	-	475,004
Public works	-	-	15,732	15,732
	<u>-</u>	<u>475,004</u>	<u>55,737</u>	<u>530,741</u>
Assigned:				
General government	143,406	-	-	143,406
Public safety	6,607	-	-	6,607
Public works	76,882	-	-	76,882
Culture and recreation	34,986	-	-	34,986
Employee benefits and insurance	877	-	-	877
Debt Service:				
Interest	4,982	-	-	4,982
Subsequent year's budget	420,226	-	-	420,226
	<u>687,966</u>	<u>-</u>	<u>-</u>	<u>687,966</u>
Unassigned:				
General Fund	2,148,514	-	-	2,148,514
Deficit special revenue:	-	-	(112,031)	(112,031)
	<u>2,148,514</u>	<u>-</u>	<u>(112,031)</u>	<u>2,036,483</u>
Total Governmental fund balances	<u>\$ 2,837,028</u>	<u>\$ 475,004</u>	<u>\$ 1,445,218</u>	<u>\$ 4,757,250</u>

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

H. Special Trust Funds

Stabilization Fund

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

At June 30, 2019 the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$	234,652
Fire truck stabilization fund		193,362
Water stabilization fund		190,156
		<hr/>
	\$	<u>618,170</u>

4. OTHER INFORMATION

A. Risk Management

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

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

B. Contingent Liabilities

Litigation

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2019, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2019.

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

C. Subsequent Events

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

D. Pension Plan

Plan Description

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

Benefits Provided

The System provides retirement, disability, survivor and death benefits to plan members and beneficiaries. MGL Chapter 32 establishes uniform benefit and contributory requirements for all contributory public employee retirement systems (PERS). The Massachusetts PERS benefits are uniform from system to system, with a few minor exceptions. Members of the System become vested after 10 years of creditable service. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. Most employees who joined the system on or after April 2, 2012 cannot retire prior to age 60. The authority for amending these provisions rests with the Massachusetts Legislature.

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

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

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% of their gross regular compensation based upon their membership date with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2018 was \$258,800, representing 26.64% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Pension Liability

As of June 30, 2019, a reported liability of \$4,215,036 is the Town's proportionate share of the net pension liability as measured as of December 31, 2018. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2018, the Town's proportional percentage was 0.4648%, which was a slight increase from the last measurement.

Pension Expense

For the year ended June 30, 2019, the Town recognized a pension expense of \$420,333 and reported deferred outflows of resources related to pensions of \$465,560 from the net difference between expected and actual experience, the net difference between projected and actual investment earnings on pension plan investments, changes in assumptions and changes in proportion and differences between employer contributions and proportionate share of contributions; and deferred inflows of resources related to pensions of \$305,181 from the differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions.

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

For years ended June 30,	
2020	\$ 34,548
2021	(2,453)
2022	66,918
2023	62,209
Thereafter:	<u>(843)</u>
	<u><u>\$ 160,379</u></u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2018:

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Amortization method	<p><i>Unfunded Actuarial Accrued Liability (UAAL):</i> Increasing dollar amount at 4.0% to reduce the UAAL to zero on or before June 30, 2035. The annual increase in appropriation is further limited to 9.95%.</p> <p><i>2002 & 2003 & 2010 Early Retirement Incentive (ERI):</i> Increasing dollar amount at 4.0% to reduce the 2002 & 2003 ERI AAL to zero on or before June 30, 2028 and the 2010 ERI AAL to zero on or before June 30, 2022.</p>

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Asset valuation method	The actuarial value of assets is the market value of assets as of the valuation date reduced by the sum of: 80% of the gains and losses of the prior year, 60% of the gains and losses of the second prior year, 40% of the gains and losses of the third prior year, and 20% of the fourth prior year. Investment gains and losses are determined by the excess or deficiency of the expected return over the actual return on the market value. The actuarial valuation of assets is further constrained to be not less than 80% or more than 120% of market value.
Inflation	3.0% per year
Salary increases	Group 1: 4.25% -- 6.00%, based on service Group 4: 4.75% -- 7.00%, based on service
Payroll growth	4.0% per year
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Mortality Table (base year 2009) with full generational mortality improvement using Scale BB. RP-2000 Mortality Table (base year 2012) with full generational mortality improvement using Scale BB for disabled members

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 class included in the pension plan's target asset allocation as of December 31, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39%	4.75%
Fixed income	23%	2.28%
Private Equity	13%	8.15%
Real Estate	10%	3.43%
Timber/Natural Resources	4%	4.00%
Hedge Funds	11%	3.76%
Total	100%	

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was (2.75%). The money-weighted rate of return considers the changing amounts actually invested during a period and weighs the amount of pension plan investments by the proportion of time they are available to earn a return during that period. The rate of return is then calculated by solving, through an iterative process, for the rate that equates the sum of the weighted external cash flows into and out of the pension plan investments to the ending fair value of pension plan investments.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance with Section 22D and Section 22F of MGL Chapter 32. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments or current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.75%. As well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease	Current	Discount Rate	1% Increase
	6.75%	7.75%	7.75%	8.75%
Net pension liability	\$ 5,077,274	\$ 4,215,036	\$	3,486,622

E. Other Post Employment Benefits Payable

GASB Statement No. 74 and GASB Statement No. 75

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

Plan Description

In addition to providing pension benefits, the Town provided post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. There are approximately 38 active and retired employees that meet the eligibility requirements. The plan does not issue a separate financial report.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Investments

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Board of Selectmen by majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy. As of June 30, 2019, investments, concentration and rate of return information consisted of pooled funds in the Town's Bartholomew Commonwealth Financial investments described earlier under Deposits and Investments (refer to note 3A).

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town policy and member contracts. The required contribution is based on the projected pay-as-you-go financing requirements. For the period ending on the June 30, 2019 Measurement Date, total Town premiums plus implicit costs for the retiree medical program were \$59,144. The Town also made contributions to the OPEB Trusts of \$50,000 for a total contribution of \$109,144. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. The trust balance is \$221,659 as of June 30, 2019.

Measurement Date

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

Plan Membership:

Current active members	25
Current retirees, beneficiaries and dependents	13
Total	38

Net OPEB Liability

The components of the net OPEB liability are as follows:

	6/30/2019
Total OPEB liability	\$ 1,742,334
Less: Plan fiduciary net position	(221,659)
Town's Net OPEB liability	\$ 1,520,675
Plan fiduciary net position as a percentage of the total OPEB liability	12.7%

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2019:

Valuation date	July 1, 2018
Actuarial cost method	Individual Entry Age Normal
Investment rate of return	6.72%, net of OPEB plan investment expenses, including inflation
Single Equivalent Discount rate	6.50%, net of OPEB plan investment expenses, including inflation
Inflation	2.50% annually as of June 30, 2019, and for future periods
Salary increases	3.00% annually as of June 30, 2019, and for future periods
Healthcare cost trend rates	4.50% annually
Mortality rates	
Pre-Retirement Mortality:	RP-2014 Mortality Table for Blue Collar Employees projected generationally with Scale MP-2016 for males and females.
Post-Retirement Mortality:	RP-2014 Mortality Table Healthy for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.
Disabled Mortality:	RP-2014 Mortality Table Healthy for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward one (1) year.

The actuarial assumptions used the July 1, 2018 actuarial valuation and market value of assets as of the measurement date of June 30, 2019 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Rate Index-SAPIHG as of June 30, 2019 is 2.79%.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Long-term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Large Capital	20.00%	4.80%
Domestic Equity - Small/Mid Capital	10.00%	5.29%
International Equity - Developed Market	10.00%	5.45%
International Equity - Emerging Market	5.00%	6.42%
Domestic Fixed Income	25.00%	2.05%
International Fixed Income	10.00%	3.00%
Alternatives	20.00%	6.50%
Real Estate	0.00%	6.25%
Cash	0.00%	0.00%
Total	100.00%	
I. Real Rate of Return		4.47%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		6.97%
IV. Less Investment Expense		0.25%
V. Net investment Return (III.-IV.)		6.72%

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return (which expresses investment performance), net of investment expense is 11.62%.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2018	\$ 1,616,249	\$ 151,255	\$ 1,464,994
Service cost	62,121	-	62,121
Interest on Total OPEB Liability	65,964	-	65,964
Changes in benefit terms *	-	-	-
Changes in assumptions **	(72,660)	-	(72,660)
Difference between actual and expected experience **	129,804	-	129,804
Net investment income	-	20,404	(20,404)
Employer contributions to Trust	-	109,144	(109,144)
Total benefit payments including implicit cost	(59,144)	(59,144)	-
Administrative expense	-	-	-
Net change in total OPEB liability	126,085	70,404	55,681
Balances at June 30, 2019	\$ 1,742,334	\$ 221,659	\$ 1,520,675

* = Recognized immediately

** = Amortized over 5.62 years

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance Massachusetts General Law Chapter 32. Based on those assumptions, the OPEB plan 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Town's net OPEB liability	\$ 1,769,970	\$ 1,520,675	\$ 1,298,454

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current healthcare cost trend rates:

	1% Decrease (3.50%)	Healthcare Cost Trend Rates (4.50%)	1% Increase (5.50%)
Town's net OPEB liability	\$ 1,292,560	\$ 1,520,675	\$ 1,803,416

Summary of Significant Accounting Policies

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

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

For the year ended June 30, 2019, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$15,575 and reported deferred outflows of resources related to OPEB of \$106,708 from the difference between actual and expected experience; and deferred inflows of resources related to OPEB of \$66,602 from the changes in assumptions and the net difference between projected and actual earnings on OPEB plan investments.

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

For years ended June 30,	
2020	\$ 8,451
2021	8,451
2022	8,451
2023	8,449
2024	6,304
	\$ 40,106

F. Implementation of New GASB Pronouncements

The GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, for implementation in fiscal year 2019.

The GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, for implementation in fiscal year 2019.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2019

G. Future GASB Pronouncements

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

The GASB issued Statement No. 84, *Fiduciary Activities*, for implementation in fiscal year 2020.

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2021.

The GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, for implementation in fiscal year 2020.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2022.

5. RESTATEMENT

The net position as of June 30, 2018 has been restated. The beginning net position increased \$29,078 for governmental activities to reflect the change in the other post employment (OPEB) liability. Accordingly, the previously reported net position of \$8,404,992 has been revised to \$8,434,070 for governmental activities.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedule
Worcester Regional Contributory Retirement System
For the Year Ended June 30, 2019

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

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

Date	Town's proportion of the net pension liability (asset)	Town's proportionate share of the net pension liability (asset)	Town's covered employee payroll	Net pension liability	
				percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2018	0.4648%	\$ 4,215,036	\$ 971,479	433.88%	43.05%
12/31/2017	0.4606%	\$ 3,756,207	\$ 1,058,730	354.78%	46.40%
12/31/2016	0.4645%	\$ 3,890,208	\$ 1,238,564	314.09%	42.00%
12/31/2015	0.4773%	\$ 3,387,903	\$ 1,300,074	260.59%	44.52%
12/31/2014	0.5876%	\$ 3,496,380	\$ 1,250,071	279.69%	47.94%

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedule
Worcester Regional Contributory Retirement System
For the Year Ended June 30, 2019

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

Schedule of the Town's Contributions:

Date	Actuarially determined contribution	Less:		Contribution deficiency (excess)	Town's covered employee payroll	Contributions percentage of covered employee payroll
		Contributions in relation to the actuarially determined contribution	Contributions in relation to the actuarially determined contribution			
12/31/2018	\$ 258,800	\$ (258,800)	\$ -	\$ 971,479	26.64%	
12/31/2017	\$ 233,082	\$ (233,082)	\$ -	\$ 1,058,730	22.02%	
12/31/2016	\$ 225,606	\$ (225,606)	\$ -	\$ 1,238,564	18.22%	
12/31/2015	\$ 214,718	\$ (214,718)	\$ -	\$ 1,300,074	16.52%	
12/31/2014	\$ 232,198	\$ (232,198)	\$ -	\$ 1,250,071	18.57%	

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2019

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability			
Service cost	\$ 62,121	\$ 41,690	\$ 40,087
Interest on net OPEB liability	65,964	63,784	62,922
Changes in Benefit terms	-	-	-
Changes in Assumptions	(72,660)	-	-
Difference between actual and expected experience	129,804	-	-
Benefit payments, including refunds of member contributions	(59,144)	(83,462)	(81,825)
Administrative expense	-	-	-
Net change in total OPEB liability	<u>126,085</u>	<u>22,012</u>	<u>21,184</u>
Total OPEB liability-beginning	<u>1,616,249</u>	<u>1,594,237</u>	<u>1,573,053</u>
Total OPEB liability-ending (a)	\$ 1,742,334	\$ 1,616,249	\$ 1,594,237
Plan fiduciary net position			
Net investment income	20,404	1,090	126
Employer contributions to Trust	109,144	133,462	131,825
Benefit payments, including refunds of member contributions	(59,144)	(83,462)	(81,825)
Administrative expense	-	-	-
Net change in plan fiduciary net position	<u>70,404</u>	<u>51,090</u>	<u>50,126</u>
Prior period adjustments	-	-	-
Total fiduciary net position-beginning	<u>151,255</u>	<u>100,165</u>	<u>50,039</u>
Total fiduciary net position-ending (b)	\$ 221,659	\$ 151,255	\$ 100,165
Town's net OPEB liability (a-b)	\$ 1,520,675	\$ 1,464,994	\$ 1,494,072

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2019

Schedule of Net OPEB Liability:

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability	\$ 1,742,334	\$ 1,616,249	\$ 1,594,237
Less: Plan fiduciary net position	<u>(221,659)</u>	<u>(151,255)</u>	<u>(100,165)</u>
Town's Net OPEB liability	<u>\$ 1,520,675</u>	<u>\$ 1,464,994</u>	<u>\$ 1,494,072</u>
Plan fiduciary net position as a percentage of the total OPEB liability	12.7%	9.4%	6.3%
Town's share of covered employee payroll	\$ 1,164,240	\$ 1,122,000	\$ 1,100,000
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	130.62%	130.57%	135.82%

Schedule of Contributions:

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarially determined contribution	\$ 171,463	\$ 133,462	\$ 131,825
Less: Contributions in relation to the actuarially determined contribution	<u>(109,144)</u>	<u>(83,462)</u>	<u>(81,825)</u>
Contribution deficiency (excess)	<u>\$ 62,319</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Town's share of covered employee payroll	\$ 1,164,240	\$ 1,122,000	\$ 1,100,000
Contributions percentage of covered-employee payroll	9.37%	7.44%	7.44%
Annual money-weighted rate of return net of investment expense	11.62%	0.87%	0.17%

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

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2019

Schedule of Funding Progress:

Reporting Date	Actuarial Fiduciary Net Position (A)	Other Post Employment Benefits			Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)
		Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)				
6/30/2019	\$ 221,659	\$ 1,742,334	\$ 1,520,675	12.72%	\$ 1,164,240	130.62%		
6/30/2018	\$ 151,255	\$ 1,616,249	\$ 1,464,994	9.36%	\$ 1,122,000	130.57%		
6/30/2017	\$ 100,165	\$ 1,594,237	\$ 1,494,072	6.28%	\$ 1,100,000	135.82%		

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

SUPPLEMENTARY SCHEDULES

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Fund Balances		Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances
	July 1, 2018					June 30, 2019
Special Revenue:						
Federal and State Grants:						
Arts Lottery Council Grants	\$ 4,520	\$	4,700	\$	-\$	\$ -
Council on Aging Grants	14,092		16,499	17,808	4,610	17,393
Emergency Preparedness Coalition Grant	571		-	-	-	571
Extended Polling Hours	1,659		1,323	-	-	2,982
Highway Grants	(80,328)		298,258	308,489	-	(90,559)
Lake Wickaboag Grant	-		50,000	-	-	50,000
Library Grants	27,115		6,049	1,933	4,610	35,841
Public Safety Grants	13,181		1,470	9,098	-	5,553
Smart Growth Grant	4,558		-	-	-	4,558
Storm Water Grants	15,028		-	-	-	15,028
Other:						
Cable Grants	21,209		71,122	11,924	-	80,407
Cemetery Revolving	8,941		6,050	600	-	14,391
Conservation Funds	15,186		384	-	-	15,570
Curb Cut Escrow	43,083		5,680	-	-	48,763
Gifts and Donations	81,286		43,686	42,675	-	82,297
Housing and Septic Repair Loan Repayments	289,784		19,524	-	-	309,308
Insurance Proceeds	22,507		2,132	5,127	-	19,512
Planning Board Revolving	664		-	-	-	664
Police Off Duty Detail Revolving	2,335		115,858	114,530	-	3,663
Road Machinery Fund	5,357		10,375	-	-	15,732
Stewardship Program Revolving	3,430		200	350	-	3,280
Storm Water Revolving	11,564		13,312	14,818	-	10,058
Town Document Search	411		-	-	-	411
Self Insurance Trust	18,244		1,392	-	-	19,636
Total Special Revenue	\$ 524,397	\$	668,014	\$ 527,352	\$	\$ 665,059

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Fund Balances July 1, 2018	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2019
Capital Projects:					
Highway Equipment	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Highway vehicle	-	-	232,794	240,000	7,206
Water Line Settlement	29,175	-	7,880	-	21,295
Well on Braintree Road	18,710	-	-	-	18,710
Total Capital Projects Funds	48,885	-	240,674	240,000	48,211
Perpetual Permanent Funds:					
Cemetery Perpetual Care Funds	186,391	-	-	-	186,391
Library Funds	8,287	-	-	-	8,287
Quaboag Park/Town Common Funds :					
John G. Shackley Fund	48,405	-	-	-	48,405
Helen Paige Shackley Bandstand	12,495	-	-	-	12,495
Helen B. Hawks/Stickney Fund	10,892	-	-	-	10,892
Margaret Preisach Magnante Fund	29,132	-	-	-	29,132
Other Trust Funds:					
Col. Fairfax Ayers Monument Fund	980	-	-	-	980
Total Perpetual Permanent Funds	296,582	-	-	-	296,582
Permanent Funds:					
Cemetery Perpetual Care Funds	112,788	17,741	4,149	-	126,380
Library Funds	121,984	18,598	6,487	-	134,095
Quaboag Park/Town Common Funds :					
John G. Shackley Fund	10,571	3,669	-	-	14,240
Helen Paige Shackley Bandstand	4,760	1,073	-	-	5,833
Helen B. Hawks/Stickney Fund	3,900	921	-	-	4,821
Margaret Preisach Magnante Fund	7,818	2,299	950	-	9,167
Priscilla E. Side Fund	4,891	674	-	-	5,565
Common Committee Fund	713	-	-	-	713
Total Permanent Funds Page 61	\$ 267,425	\$ 44,975	\$ 11,586	\$ -	\$ 300,814

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Fund Balances July 1, 2018	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2019
Continued from Page 61	\$ 267,425	\$ 44,975	\$ 11,586	\$ -	\$ 300,814
Permanent Funds (Continued)					
Other Trust Funds:					
Col. Fairfax Ayers Monument Fund	3,781	296	-	-	4,077
Historical Commission Fund	65,682	11,334	1,058	-	75,958
Lucy Stone Birthplace Fund	1,012	63	765	-	310
Peter Brady Memorial Fund	99	6	-	-	105
Recreation Committee Fund	1,731	678	-	-	2,409
Reynis Town Hall Interior Fund	23,484	1,802	203	-	25,083
Rice Fountain Trust	25,051	1,559	-	-	26,610
Total Permanent Funds	388,265	60,713	13,612	-	435,366
Total Non-Major Governmental Funds	\$ 1,258,129	\$ 728,727	\$ 781,638	\$ 240,000	\$ 1,445,218

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES
JULY 1, 2018 TO JUNE 30, 2019**

	Uncollected Taxes July 1, 2018	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2019	Uncollected Taxes Per Detail June 30, 2019
Real Estate Taxes:						
Levy of 2019	\$ -	\$ 5,673,630	\$ 40,236	\$ 5,439,100	\$ 194,294	\$ 194,294
Levy of 2018	212,106	-	9,753	94,531	107,822	96,323
Levy of 2017	109,454	-	-	18,856	90,598	86,383
Levy of 2016	35,217	-	-	2,537	32,680	32,649
Levy of 2015	15,005	-	-	3,768	11,237	11,237
Prior Years	6,753	-	-	102	6,651	6,651
	<u>378,535</u>	<u>5,673,630</u>	<u>49,989</u>	<u>5,558,894</u>	<u>443,282</u>	<u>427,537</u>
Personal Property Taxes:						
Levy of 2019	-	243,861	161	239,245	4,455	4,455
Levy of 2018	3,064	-	-	919	2,145	2,109
Levy of 2017	496	-	-	-	496	419
Levy of 2016	(541)	-	-	-	(541)	(58)
Levy of 2015	1	-	-	-	1	1
Prior Years	(3)	-	-	-	(3)	(3)
	<u>3,017</u>	<u>243,861</u>	<u>161</u>	<u>240,164</u>	<u>6,553</u>	<u>6,923</u>
Total Real Estate and Personal Property Taxes	\$ 381,552	\$ 5,917,491	\$ 50,150	\$ 5,799,058	\$ 449,835	\$ 434,460

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE EXCISE TAXES
JULY 1, 2018 TO JUNE 30, 2019**

	Uncollected Taxes July 1, 2018	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2019	Uncollected Taxes Per Detail June 30, 2019
\$	-	\$ 457,116	\$ 6,209	\$ 391,822	\$ 59,085	\$ 59,085
Levy of 2019	65,798	55,950	6,695	85,137	29,916	29,916
Levy of 2018	18,149	-	406	5,186	12,557	12,557
Levy of 2017	18,483	-	257	9,273	8,953	8,953
Levy of 2016	20,649	-	-	8,511	12,138	12,138
Levy of 2015	49,621	-	-	3,430	46,191	32,319
Prior Years						
Total Motor Vehicle Excise Taxes	\$ 172,700	\$ 513,066	\$ 13,567	\$ 503,359	\$ 168,840	\$ 154,968

Motor Vehicle Excise Taxes:

Levy of 2019
 Levy of 2018
 Levy of 2017
 Levy of 2016
 Levy of 2015
 Prior Years
Total Motor Vehicle Excise Taxes

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2018 TO JUNE 30, 2019**

Uncollected Accounts July 1, 2018	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2019	Uncollected Accounts Per Detail June 30, 2019
\$ 250,016	\$ -	\$ -	\$ 38,561	\$ 211,455	\$ 221,992
Tax Liens					