

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Report on the Examination of Basic Financial Statements
For the Year Ended June 30, 2021

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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, 2021, 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, 2021, 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

September 28, 2022

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, 2021. 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 \$8,927,400 (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 \$8,228,171, or an increase of \$699,229 (8.5%).
- At the close of the current fiscal year, the Town's total governmental funds reported total ending fund balance of \$5,782,606 this year, an increase of \$994,790 (21%) in comparison with the prior year.
- The General Fund's total fund balance increased \$599,656 (21%) to \$3,434,355. The ending General fund balance is 40% of revenues and transfers in; and 42% of expenditures.
- Total liabilities of the Town increased by \$580,902 (8%) to \$8,190,543 during the fiscal year. This was mainly attributed to net increases in bonds and leases payable of \$260,716 and in the Other Post Employment Benefits (OPEB) liability of \$571,538; and a net decrease in notes payable of \$247,500.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$1,183,665. The key factors that attributed to the free cash amount for fiscal year 2021 were unexpended/unencumbered appropriations of \$738,400, excess over budget state and local receipts of \$210,100 and prior year free cash not appropriated of \$114,900.

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		
	2021	2020	Change
Assets:			
Current assets	\$ 7,731,137	\$ 6,753,567	\$ 977,570
Capital assets	8,863,899	8,402,760	461,139
Total assets	16,595,036	15,156,327	1,438,709
Deferred Outflows of Resources	953,980	460,570	493,410
Liabilities:			
Current liabilities (excluding debt and leases)	901,994	493,901	408,093
Current debt and leases	207,981	382,500	(174,519)
Noncurrent liabilities (excluding debt and leases)	6,705,833	6,028,948	676,885
Noncurrent debt and leases	374,735	187,000	187,735
Total liabilities	8,190,543	7,092,349	1,098,194
Deferred Inflows of Resources	431,073	337,811	93,262
Net Position:			
Net Investment in Capital Assets	8,281,183	7,833,260	447,923
Restricted	1,513,399	1,682,676	(169,277)
Unrestricted	(867,182)	(1,329,199)	462,017
Total net position	\$ 8,927,400	\$ 8,186,737	\$ 740,663

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2021	2020	Change
Program Revenues:			
Charges for services	\$ 1,007,701	\$ 775,412	\$ 232,289
Operating grants and contributions	743,663	482,936	260,727
Capital grants and contributions	821,473	256,348	565,125
General Revenues:			
Property taxes	6,306,520	6,126,171	180,349
Motor vehicle excise and other taxes	625,243	593,440	31,803
Penalties and interest on taxes	182,867	83,636	99,231
Nonrestricted grants	599,147	570,486	28,661
Unrestricted investment income	70,324	33,233	37,091
Miscellaneous	-	213	(213)
Total revenues	10,356,938	8,921,875	1,435,063
Expenses:			
General government	913,590	740,654	172,936
Public safety	1,263,043	1,077,749	185,294
Public works	1,190,215	1,118,404	71,811
Water	492,172	457,334	34,838
Education	4,078,005	4,013,883	64,122
Health and human services	216,917	227,255	(10,338)
Culture and recreation	292,793	333,456	(40,663)
Employee benefits and insurance	1,091,119	1,000,395	90,724
State assessments	109,732	69,097	40,635
Interest	10,123	11,241	(1,118)
Total expenses	9,657,709	9,049,468	608,241
Change in net position	699,229	(127,593)	826,822
Net position - beginning of year	8,228,171	8,355,764	(127,593)
Net position - end of year	\$ 8,927,400	\$ 8,228,171	\$ 699,229

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 \$8,927,400 at the close of fiscal year 2021.

Net position of \$8,281,183 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, \$1,513,399 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$867,182).

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 and 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 increased by \$699,229 (8.5%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2021 are attributed to net increases in the changes to governmental funds of \$994,790, the acquisition of \$1,139,871 in new capital assets exceeding the depreciation expense (normally spread out over the useful life of the asset) for the year of \$678,732 and in the deferred outflow/(inflow) of resources related to OPEB of \$412,179; and net decreases as a result of recognizing this year's change to the OPEB liability of \$571,538 and in the debt and leases payable of \$260,716.

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 \$5,782,606 this year, an increase of \$994,790 (21%) in comparison with the prior year.

The breakdown of the governmental fund balances is as follows:

- Nonspendable fund balance – \$296,582 (5%).
- Restricted fund balance – \$1,124,279 (20%).
- Committed fund balance – \$971,390 (17%).
- Assigned fund balance – \$828,617 (14%).
- Unassigned fund balance – \$2,561,738 (44%).

Major Governmental Funds

The *General Fund* is the Town's primary operating fund and the largest source of day-to-day operations. At the end of the fiscal year, the *General Fund* reported a fund balance of \$3,434,355 increasing \$599,656 (21%) from the prior year. Of the \$3,434,355, the unassigned amount is \$2,605,738 (76%) and the assigned amount is \$828,617 (24%). General fund revenues were \$645,045 (8%) more than the prior fiscal year and expenditures also increased by \$513,843 (7%). Other activities in the General Fund were net transfers in from other funds of \$274,935.

The main components of the increase in general fund revenues are related to the increases in property taxes in the amount of \$473,608 (8%) and in interest on taxes of \$99,231 (119%) 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 \$88,400 (15%).
- Increase in Public safety expenditures of \$65,104 (8%).
- Increase in Public works expenditures of \$196,416 (26%).

- Increase in Education expenditures of \$64,122 (2%).
- Increase in Employee benefits and insurance expenditures of \$62,976 (8%).

The *Water Fund* is the financing and operations of the Town's water system. The water fund has accumulated a balance of \$920,703 and shows an increase of \$164,142 (59%) in total operations. This change resulted from revenues exceeding expenditures. Revenues increased by \$109,149 (25%) and expenditures also increased by \$36,408 (11%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2021 was \$9,139,312. This was an increase of \$728,684 (9%) over the previous year's budget.

There was an increase of \$274,471 between the total original budget and the total final amended budget. The change is attributed to votes at the Special Town Meetings in December 2020 and June 2021 for various budget operating line items.

General fund expenditures were less than budgeted by \$1,052,056. Of the \$1,052,056 in under budget expenditures, \$313,678 has been carried over to fiscal year 2022.

There was a negative variance in state assessments of \$32,685 due to a lower assessment in the school choice sending tuitions than the actual payments.

The variance with the final budget was a positive \$1,089,780 consisting of a revenue surplus of \$351,402 and an appropriation surplus of \$738,378.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$8,402,760.

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:

- Police vehicle purchase for \$33,868.
- Road and sidewalk infrastructure improvements for \$1,106,003.

Debt Administration. The Town's outstanding governmental debt, as of June 30, 2021, totaled \$516,500 of which \$187,000 is for departmental vehicles and equipment and \$329,500 is for the engineering of roads.

The governmental funds also have \$44,000 in temporary debt outstanding for a police vehicle.

The Town also has a capital lease in the governmental type activities for the financing of the police department vehicle. The last lease is due in 2024. The Town currently owes \$24,913 on the lease consisting of \$22,216 in principal and \$2,697 in interest.

Please refer to notes 3D, 3F, 3G and 3H 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, 2021 do not reflect the fiscal year 2022 Town Meeting action with the exception of the fund balance (free cash) and stabilization amounts. The Annual Town Meeting on June 1, 2021 authorized a fiscal year 2022 operating and capital budget as follows:

From the tax levy	\$ 9,148,600
From Other Available Funds:	
General Fund:	
Unassigned fund balance:	
Free cash	479,939
Fire Truck stabilization fund	35,000
	<u>9,663,539</u>
	<u>\$ 9,663,539</u>

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, 2021

		<u>Primary Government</u>
		<u>Governmental</u>
		<u>Activities</u>
ASSETS		
CURRENT:		
Cash and Cash Equivalents	\$	3,919,602
Investments		2,457,226
Receivables, net of allowance for uncollectibles:		
Property Taxes		476,554
Tax Liens		250,819
Excise Taxes		120,213
User Charges		110,886
Departmental		11,470
Due from Other Governments		384,367
Total current assets		<u>7,731,137</u>
NONCURRENT:		
Capital Assets, net of accumulated Depreciation		
Nondepreciable		512,187
Depreciable		8,351,712
Total noncurrent assets		<u>8,863,899</u>
Total Assets		<u>16,595,036</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions		373,786
Deferred Outflows Related to OPEB		580,194
Total Deferred Outflows of Resources		<u>953,980</u>
LIABILITIES		
CURRENT:		
Warrants Payable		195,108
Accrued Payroll		55,370
Payroll Withholdings		26,411
Tax Refund Payable		56,000
Other		15,153
Escrows and Deposits		522,245
Accrued Interest		6,060
Compensated Absences		25,647
Notes Payable		44,000
Bonds and Leases Payable		163,981
Total current liabilities		<u>1,109,975</u>
NONCURRENT:		
Compensated Absences		230,822
Net OPEB Liability		2,217,985
Net Pension Liability		4,257,026
Bonds and Leases Payable		374,735
Total noncurrent liabilities		<u>7,080,568</u>
Total Liabilities		<u>8,190,543</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions		351,151
Deferred Inflows Related to OPEB		79,922
Total Deferred Inflows of Resources		<u>431,073</u>
NET POSITION		
Net Investment in Capital Assets		8,281,183
Restricted for:		
Capital Projects		82,000
Federal & State Grants		253,460
Permanent Funds:		
Expendable		484,653
Nonexpendable		296,581
Other Purposes		396,705
Unrestricted		(867,182)
Total Net Position	\$	<u>8,927,400</u>

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, 2021**

	<u>Program Revenues</u>				Net (Expenses) Revenues and and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Primary Government:					
Governmental Activities:					
General Government	\$ 913,590	\$ 68,124	\$ 244,273	\$ -	\$ (601,193)
Public Safety	1,263,043	329,361	53,427	-	(880,255)
Public Works	1,190,215	31,579	473	821,473	(336,690)
Water	492,172	549,588	5,159	-	62,575
Education	4,078,005	-	327,609	-	(3,750,396)
Health and Human Services	216,917	29,049	70,350	-	(117,518)
Culture and Recreation	292,793	-	42,372	-	(250,421)
Employee Benefits and Insurance	1,091,119	-	-	-	(1,091,119)
State Assessments	109,732	-	-	-	(109,732)
Interest	10,123	-	-	-	(10,123)
Total Governmental Activities	9,657,709	1,007,701	743,663	821,473	(7,084,872)
Total Primary Government	\$ 9,657,709	\$ 1,007,701	\$ 743,663	\$ 821,473	(7,084,872)
General Revenues:					
Property Taxes					6,306,520
Motor vehicle excise and other taxes					625,243
Penalties & Interest on Taxes					182,867
Grants & Contributions not restricted to specific programs					599,147
Unrestricted Investment Income					70,324
Total General Revenues					7,784,101
					Change in Net Position
					699,229
					Net Position:
					Beginning of year (as restated)
					8,228,171
					End of year
					\$ 8,927,400

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Water Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 2,792,951	\$ 662,319	\$ 464,332	\$ 3,919,602
Investments	1,315,012	276,711	865,503	2,457,226
Receivables, net of allowance for uncollectibles:				
Property Taxes	476,554	-	-	476,554
Tax Liens	250,819	-	-	250,819
Excise Taxes	120,213	-	-	120,213
User Charges	-	110,886	-	110,886
Departmental	-	-	11,470	11,470
Due from Other Governments	54,409	-	329,958	384,367
Total Assets	\$ 5,009,958	\$ 1,049,916	\$ 1,671,263	\$ 7,731,137
Liabilities:				
Warrants Payable	\$ 72,894	\$ 16,284	\$ 105,930	\$ 195,108
Accrued Payroll	52,080	2,043	1,247	55,370
Payroll Withholdings	26,411	-	-	26,411
Tax Refund Payable	56,000	-	-	56,000
Other	15,153	-	-	15,153
Escrows and Deposits	522,245	-	-	522,245
Bond Anticipation Notes Payable	-	-	44,000	44,000
Total Liabilities	744,783	18,327	151,177	914,287
Deferred Inflows of Resources:				
Unavailable Revenue	830,820	110,886	92,538	1,034,244
Fund Balance:				
Nonspendable	-	-	296,582	296,582
Restricted	-	-	1,124,279	1,124,279
Committed	-	920,703	50,687	971,390
Assigned	828,617	-	-	828,617
Unassigned	2,605,738	-	(44,000)	2,561,738
Total Fund Balance	3,434,355	920,703	1,427,548	5,782,606
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,009,958	\$ 1,049,916	\$ 1,671,263	\$ 7,731,137

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, 2021**

	General Fund	Water Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 6,432,558	\$ -	\$ -	\$ 6,432,558
Intergovernmental	956,212	-	1,175,717	2,131,929
Excise and Other Taxes	606,137	-	-	606,137
Licenses, Permits, Fees	163,879	-	-	163,879
Charges for Services	-	536,933	297,137	834,070
Interest on Delinquent Taxes	182,867	-	-	182,867
Investment Income	70,324	5,159	44,684	120,167
Other	-	-	127,241	127,241
Total Revenues	8,411,977	542,092	1,644,779	10,598,848
Expenditures:				
Current:				
General Government	677,852	-	178,359	856,211
Public Safety	911,611	-	331,595	1,243,206
Public Works	945,808	-	966,179	1,911,987
Water	-	377,950	1,225	379,175
Education	4,055,200	-	-	4,055,200
Health and Human Services	182,631	-	3,593	186,224
Culture and Recreation	230,283	-	9,617	239,900
Employee Benefits and Insurance	868,806	-	-	868,806
State Assessments	109,732	-	-	109,732
Debt Service:				
Principal	91,000	-	-	91,000
Interest	14,333	-	-	14,333
Total Expenditures	8,087,256	377,950	1,490,568	9,955,774
Excess of Revenues Over (Under) Expenditures	324,721	164,142	154,211	643,074
Other Financing Sources (Uses):				
Operating Transfers In	274,935	-	-	274,935
Operating Transfers Out	-	-	(274,935)	(274,935)
Proceeds from Issuance of Bonds and Notes	-	-	329,500	329,500
Capital Lease	-	-	22,216	22,216
Total Other Financing Sources (Uses)	274,935	-	76,781	351,716
Net Change in Fund Balances	599,656	164,142	230,992	994,790
Fund Balances, Beginning of Year (as restated)	2,834,699	756,561	1,196,556	4,787,816
Fund Balances, End of Year	\$ 3,434,355	\$ 920,703	\$ 1,427,548	\$ 5,782,606

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, 2021

Total Governmental Fund Balances		\$ 5,782,606
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.		8,863,899
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.		522,907
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		1,034,244
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Bonds and Leases Payable	\$ (538,716)	
Net Other Post Employment Benefits Liability	(2,217,985)	
Net Pension Liability	(4,257,026)	
Compensated Absences	(256,469)	(7,270,196)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.		(6,060)
Net Position of Governmental Activities		\$ 8,927,400

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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 994,790

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:

Capital Outlay Purchases	\$ 1,139,871	
Depreciation	<u>(678,732)</u>	461,139

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. (241,910)

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:

Repayment of Debt and Lease Principal	91,000	
Proceeds from Capital Lease	(22,216)	
Proceeds from Bonds and Notes	<u>(329,500)</u>	(260,716)

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:

Net Change in Compensated Absences	(35,971)	
Net Change in Net Other Post Employment Benefits Liability	(571,538)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	412,179	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(12,031)	
Net Change in Net Pension Liability	(50,923)	
Net Change in Accrued Interest on Long-Term Debt	<u>4,210</u>	(254,074)

Change in Net Position of Governmental Activities \$ 699,229

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts						
	Amounts Carried			Actual Budgetary Basis	Amounts Carried		Variance with Final Budget Positive (Negative)
	Forward from Prior Year	Original Budget	Final Budget		Forward to Next Year	Final Budget	
Revenues:							
Property Taxes	\$ -	\$ 6,263,246	\$ 6,263,246	\$ 6,404,558	\$ -	\$ -	\$ 141,312
Intergovernmental	-	955,636	955,636	956,212	-	-	576
Excise and Other Taxes	-	532,000	532,000	606,137	-	-	74,137
Licenses, Permits, Fees	-	139,100	139,100	163,879	-	-	24,779
Interest on Delinquent Taxes	-	80,000	80,000	182,867	-	-	102,867
Investment Income	-	28,000	28,000	35,731	-	-	7,731
Total Revenues	-	7,997,982	7,997,982	8,349,384	-	-	351,402
Expenditures:							
Current:							
General Government	183,002	753,962	937,031	677,852	153,817	-	105,362
Public Safety	7,490	999,972	1,052,256	911,611	47,257	-	93,388
Public Works	18,895	919,348	1,031,770	945,808	36,929	-	49,033
Education	56,295	4,303,314	4,359,609	4,055,200	-	-	304,409
Health and Human Services	-	213,100	213,100	182,631	-	-	30,469
Culture and Recreation	18,113	253,639	343,752	230,283	75,010	-	38,459
Employee Benefits and Insurance	-	949,745	1,013,828	868,806	665	-	144,357
State Assessments	-	77,047	77,047	109,732	-	-	(32,685)
Debt Service:							
Principal	-	92,800	92,800	91,000	-	-	1,800
Interest	-	18,119	18,119	14,333	-	-	3,786
Total Expenditures	283,795	8,581,046	9,139,312	8,087,256	313,678	-	738,378
Excess of Revenues Over (Under) Expenditures	(283,795)	(583,064)	(1,141,330)	262,128	(313,678)	-	1,089,780
Other Financing Sources (Uses):							
Operating Transfers In	-	-	133,435	133,435	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	133,435	133,435	-	-	-
Net Change in Budgetary Fund Balance	(283,795)	(583,064)	(1,007,895)	\$ 395,563	\$ (313,678)	\$ -	\$ 1,089,780
Other Budgetary Items:							
Free Cash and Other Reserves	-	583,064	724,100				
Prior Year Encumbrances	283,795	-	283,795				
Total Other Budgetary Items	283,795	583,064	1,007,895				
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, 2021

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 8,349,384	\$ 8,087,256
<i>Adjustments:</i>		
Activity for Stabilization Fund Recorded in the General Fund for GAAP Purposes	34,593	-
Net Increase in Revenue from recording Refund Taxes Payable	7,900	-
Net Increase in Revenue from Recording 60-Day Receipts	20,100	-
Reported on a GAAP Basis	\$ 8,411,977	\$ 8,087,256

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, 2021**

	Other Post Employment Benefit Trust Fund
ASSETS	
Investments	\$ 428,459
Total Assets	428,459
LIABILITIES	
Warrants Payable	-
Total Liabilities	-
NET POSITION	
Restricted for Other Postemployment Benefits	428,459
Total Net Position	\$ 428,459

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Other Post Employment Benefit Trust Fund
Additions:	
Employer Contributions	\$ 135,307
Investment Income	81,603
Total Additions	216,910
Deductions:	
Employee Benefits and Insurance	65,307
Total Deductions	65,307
Change in Net Position	151,603
Net Position at Beginning of Year	276,856
Net Position at End of Year	\$ 428,459

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, 2021

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 2021, 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 Town is indirectly liable for debt and other expenditures of the School District and is assessed annually for its share of operating and capital costs. 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, 2021

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, 2021

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.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

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.

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.

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.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

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.

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, 2020 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 2021 on July 1, 2020 that were due on August 3, 2020 and November 2, 2020 and the actual tax bills were mailed on December 23, 2020 that were due on February 1, 2021 and May 3, 2021, 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 2021 is \$6,413,228.

The total amount raised by taxation was \$6,411,716.

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, 2021

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, and police off-duty details. Upon issuance, a loan 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, 2021

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, 2021

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, 2021

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, 2021

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 2021, the Town incurred a final budget deficit of \$1,007,895 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	\$	724,100
Prior year's encumbrances		283,795
	\$	1,007,895

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

B. Deficit Fund Balances

The following fund has a deficit at June 30, 2021 as measured by the balances of unreserved fund balance.

- The *Police vehicle* capital project fund has a deficit of \$44,000. The Town has an outstanding bond anticipation note for \$44,000. The deficit will be eliminated upon the future receipt of funds or upon the issuance of permanent debt.

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, 2021 were \$4,228,864. Of these, \$202,804 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. MMDT's fair value is measured at amortized cost.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

As of June 30, 2021, the Town had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	6 to 10
Debt Securities:				
U. S. treasury obligations	\$ 295,173	\$ 160,122	\$ 135,051	\$ -
U. S. government agencies	193,686	-	193,686	-
Corporate bonds	882,976	141,912	657,390	83,674
Money market mutual fund	53,603	53,603	-	-
	<u>1,425,438</u>	<u>\$ 355,637</u>	<u>\$ 986,127</u>	<u>\$ 83,674</u>
Other Investments:				
Certificate of deposits	117,661			
Equity securities-domestic stocks	524,031			
Mutual funds	508,349			
MMDT	310,206			
	<u>\$ 2,885,685</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 \$2,885,685 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, 2021

Credit Risk

The Town's exposure to credit risk as of June 30, 2021 is as follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<i>U. S. Treasury Obligations:</i>	
Aaa	\$ 295,173
<i>U. S. Government Agencies:</i>	
Aaa	193,686
<i>Corporate Bonds:</i>	
Aa1	39,661
Aa2	446,385
Baa1	241,658
Baa2	155,272
<i>Money Market Mutual Funds:</i>	
Not rated	53,603
	\$ 1,425,438

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in one issuer. More than 5 percent of the Town's investments are in the Corporate Bond Bank of America amounting to 5.73% of the Town's total investments.

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, 2021

The Town has the following recurring fair value measurements as of June 30, 2021:

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	\$ 193,686	\$ 193,686	\$ -	\$ -
Certificate of deposits	117,661	117,661	-	-
Equity securities - domestic	524,031	524,031	-	-
Money market mutual fund	53,603	53,603	-	-
Mutual funds	508,349	508,349	-	-
Corporate bonds	882,976	-	882,976	-
	<u>2,575,479</u>	<u>\$ 1,692,503</u>	<u>\$ 882,976</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	<u>310,206</u>			
Total Investments	<u>\$ 2,885,685</u>			

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, 2021, receivables for the individual major governmental funds and non-major governmental 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	\$ 479,366	\$ (2,812)	\$ 476,554
Tax liens	250,819	-	250,819
Excise taxes	167,314	(47,101)	120,213
User charges	111,386	(500)	110,886
Departmental	12,401	(931)	11,470
Due from other governments	384,367	-	384,367
	<u>\$ 1,405,653</u>	<u>\$ (51,344)</u>	<u>\$ 1,354,309</u>

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

The composition of amounts due from other governments as of June 30, 2021 for governmental funds is as follows:

General Fund:

Commonwealth of Massachusetts:

Department of Revenue:

Veterans, blind and surviving spouse \$ 27,275

Department of Veterans Services:

Veterans benefits 27,134 \$ 54,409

Nonmajor Governmental Funds:

U. S. Department of Homeland security:

Edward Byrne Justice Assistance Grant 18,292

Federal Emergency Management Agency:

Pass Through Commonwealth of Massachusetts:

Emergency Management Performance grant 3,816

Commonwealth of Massachusetts:

Department of Fire Services:

Firefighter Equipment Grant 9,527

Executive Office of Economic Development:

Massachusetts Works Grants 205,785

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funds 92,538 329,958

\$ 384,367

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 \$ 432,654

Tax liens 250,819

Excise taxes 120,213

Due from other governments 27,134 \$ 830,820

Water Fund:

User charges 110,886

Nonmajor Governmental Funds:

Due from other governments 92,538

\$ 1,034,244

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

D. Capital Assets

Capital asset activity for the year ended June 30, 2021, is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 512,187	\$ -	\$ -	\$ 512,187
Construction in progress	212,065	-	(212,065)	-
Total capital assets not being depreciated	<u>724,252</u>	-	(212,065)	<u>512,187</u>
Capital assets being depreciated:				
Buildings and Renovations	4,680,789	-	-	4,680,789
Machinery, equipment and other	3,400,494	33,868	-	3,434,362
Infrastructure	8,978,155	1,318,068	-	10,296,223
Total capital assets being depreciated	<u>17,059,438</u>	<u>1,351,936</u>	-	<u>18,411,374</u>
Less accumulated depreciation for:				
Buildings and Renovations	3,344,322	152,286	-	3,496,608
Machinery, equipment and other	2,940,713	148,248	-	3,088,961
Infrastructure	3,095,895	378,198	-	3,474,093
Total accumulated depreciation	<u>9,380,930</u>	<u>678,732</u>	-	<u>10,059,662</u>
Total capital assets being depreciated, net	<u>7,678,508</u>	<u>673,204</u>	-	<u>8,351,712</u>
Total governmental activities capital assets, net	<u>\$ 8,402,760</u>	<u>\$ 673,204</u>	<u>\$ (212,065)</u>	<u>\$ 8,863,899</u>

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

Governmental Activities:	
General government	\$ 48,907
Public safety	44,067
Public works	374,993
Education	22,805
Health and human services	31,769
Culture and recreation	51,954
Water	104,237
Total depreciation expense - governmental activities	<u>\$ 678,732</u>

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2021, are summarized below:

	Transfers In:
	General fund
Transfers Out:	
Nonmajor governmental funds	\$ 274,935

F. Leases

The Town has entered into a lease agreement as lessee for financing of the government activities police department vehicle. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through the capital lease is as follows:

	Governmental Activities
Asset:	
Machinery, Equipment and Other	\$ 33,868
Less: Accumulated Depreciation	(5,645)
Total	\$ 28,223

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 are as follows:

	Governmental Activities
Year Ending June 30,	
2022	\$ 8,304
2023	8,305
2024	8,304
Total minimum lease payments	24,913
Less: amount representing interest	(2,697)
Present value of minimum lease payments	\$ 22,216

G. Short-Term Financing

Under the general laws of the Commonwealth and with the appropriate local authorization the Town is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Details related to the short-term debt activity of the governmental type activities are as follows:

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2020	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2021
Nonmajor Governmental Funds:						
Bond Anticipation Notes:						
Police Vehicle	2.10%	9/4/2020	\$ 44,000	\$ -	\$ 44,000	\$ -
Engineering for Route 9	1.54%	3/4/2021	247,500	-	247,500	-
Police Vehicle	0.95%	9/3/2021	-	44,000	-	44,000
Total Governmental Activities			\$ 291,500	\$ 44,000	\$ 291,500	\$ 44,000

H. 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, 2021
Inside Debt:					
Highway equipment	2.45%	7/28/2016	7/28/2021	\$ 215,000	\$ 43,000
Highway vehicle	3.60%	8/7/2018	8/2/2023	240,000	144,000
Engineering Roads	2.10%	6/23/2021	6/23/2026	329,500	329,500
Total governmental type debt					\$ 516,500

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, 2021 are as follows:

Year	Principal	Interest	Total
2022	\$ 157,000	\$ 13,157	\$ 170,157
2023	114,000	8,990	122,990
2024	114,000	5,875	119,875
2025	66,000	2,762	68,762
2026	65,500	1,375	66,875
	\$ 516,500	\$ 32,159	\$ 548,659

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

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

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds	\$ 278,000	\$ 329,500	\$ 91,000	\$ 516,500	\$ 157,000
Capital lease	-	22,216	-	22,216	6,981
Compensated absences	222,498	37,047	1,076	258,469	25,647
Net OPEB liability	1,646,447	571,538	-	2,217,985	-
Net pension liability	4,206,103	50,923	-	4,257,026	-
Governmental activity					
Long-term liabilities	<u>\$ 6,353,048</u>	<u>\$ 1,011,224</u>	<u>\$ 92,076</u>	<u>\$ 7,272,196</u>	<u>\$ 189,628</u>

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, 2021 totaled \$516,500.

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, 2021:

Equalized Valuation-Real Estate and Personal Property (2020)	<u>\$ 440,792,400</u>
Debt Limit: 5 % of Equalized value	22,039,620
Total Debt Outstanding	\$ 516,500
Less: Debt Outside Debt Limit	<u>516,500</u>
Inside Debt Excess Borrowing Capacity at June 30, 2021	<u>\$ 21,523,120</u>

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

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 has no loan authorizations that have not been issued as of June 30, 2021.

I. Fund Balances

The following is a summary of the Governmental fund balances at the year ended June 30, 2021:

	General Fund	Major Funds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Permanent funds	\$ -	\$ -	\$ 296,582	\$ 296,582
Restricted:				
Federal, state and local grants	-	-	160,922	160,922
Town revolving funds	-	-	87,771	87,771
Donations and gifts	-	-	74,406	74,406
Capital projects	-	-	82,000	82,000
Permanent funds	-	-	484,764	484,764
Other	-	-	234,416	234,416
	-	-	1,124,279	1,124,279
Committed:				
Capital projects	-	-	37,819	37,819
Water Fund	-	920,703	-	920,703
Public works	-	-	12,868	12,868
	-	920,703	50,687	971,390
Assigned:				
General government	153,817	-	-	153,817
Public safety	47,257	-	-	47,257
Public works	36,929	-	-	36,929
Culture and recreation	75,010	-	-	75,010
Employee benefits and insurance	665	-	-	665
Subsequent year's budget	514,939	-	-	514,939
	828,617	-	-	828,617
Unassigned:				
General Fund	2,605,738	-	-	2,605,738
Deficit special revenue:	-	-	-	-
Deficit capital projects	-	-	(44,000)	(44,000)
	2,605,738	-	(44,000)	2,561,738
Total Governmental fund balances	\$ 3,434,355	\$ 920,703	\$ 1,427,548	\$ 5,782,606

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

J. 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, 2021 the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$ 419,531
Fire truck stabilization fund	169,546
	<u>\$ 589,077</u>

At June 30, 2021, the balance in the water stabilization fund is \$276,711 and is reported in the Water Fund as committed fund balance.

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, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2021.

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.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

C. COVID-19

The Covid-19 pandemic in the United States and across the globe has resulted in economic uncertainties. The disruption was expected to be temporary, but there remains considerable uncertainty around the duration and scope. The United States Federal Government and State of Massachusetts established funding through various sources; the Coronavirus Aid, Relief and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA) in addition to several other federal and state grants. The extent of the impact of Covid-19 on our operational and financial performance will depend on certain developments, including the duration and spread of outbreak, impact on our customers, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the full extent to which Covid-19 may impact our financial condition or results of operations remains uncertain.

D. Subsequent Events

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

E. 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.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

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, 2020 was \$322,339, representing 24.35% 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.

Pension Liability

As of June 30, 2021, the Town reported a liability of \$4,257,026 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. 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, 2020, the Town's proportional percentage was 0.4792%, which was a slight increase from the last measurement.

Pension Expense

For the year ended June 30, 2021, the Town recognized a pension expense of \$385,292 and reported deferred outflows of resources related to pensions of \$373,786 from the net difference between expected and actual experience, changes in assumptions and change in allocated proportion; and deferred inflows of resources related to pensions of \$351,151 from the net difference between expected and actual experience, the net difference between projected and actual investment earnings and the change in allocated proportion.

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,		
2022	\$	(5,904)
2023		808
2024		26,053
2025		4,445
Thereafter:		<u>(2,767)</u>
	\$	<u>22,635</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2020:

Valuation date	January 1, 2020
Actuarial cost method	Entry Age Normal

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Amortization method	Payment increases 4.0% per year.
Asset valuation method	Market value of assets
Inflation	2.20% per year
Salary increases	Group 1: 4.25% -- 6.00%, based on service Group 4: 4.75% -- 7.00%, based on service
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2018. For disabled lives, mortality rates were based on the RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2018.

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39%	4.38%
Fixed income	23%	1.40%
Private Equity	13%	8.00%
Real Estate	10%	3.80%
Timber/Natural Resources	4%	4.40%
Portfolio Completion Strategies	11%	3.00%
Total	<u>100%</u>	

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return, net of pension plan investment expense, was 12.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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 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 7.50%. 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease	Current	1% Increase
	6.50%	Discount Rate	8.50%
	6.50%	7.50%	8.50%
Net pension liability	\$ 5,244,359	\$ 4,257,026	\$ 3,423,383

F. 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 40 active and retired employees that meet the eligibility requirements. The plan does not issue a separate financial report.

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, 2021, 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).

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2021 Measurement Date, total Town premiums plus implicit costs for the retiree medical program are \$65,307. The Town has also made a contribution to an OPEB Trust of \$70,000 for a total contribution during the measurement period of \$135,307 to be reported on the financial statement for the fiscal year ending June 30, 2021. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. The trust balance is \$428,459 as of June 30, 2021.

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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Plan Membership:

Current active members	27
Current retirees, beneficiaries and dependents	13
Total	40

Net OPEB Liability

The components of the net OPEB liability are as follows:

	6/30/2021
Total OPEB liability	\$ 2,646,444
Less: Plan fiduciary net position	(428,459)
Town's Net OPEB liability	\$ 2,217,985
Plan fiduciary net position as a percentage of the total OPEB liability	16.2%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2021:

Valuation date	July 1, 2020
Actuarial cost method	Individual Entry Age Normal
Investment rate of return	6.25%, net of OPEB plan investment expenses, including inflation
Single Equivalent Discount rate	5.29%, net of OPEB plan investment expenses, including inflation
Inflation	2.50% annually as of June 30, 2021, and for future periods
Salary increases	3.00% annually as of June 30, 2021, and for future periods

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Mortality rates	
Pre-retirement Mortality	RP-2014 Mortality Table for Blue Collar employees projected generationally with Scale MP-2016 for males and females, set forward one year for females.
Post-retirement Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward one year for females.
Disabled Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward one year.

The actuarial assumptions used the July 1, 2020 actuarial valuation and market value of assets as of the measurement date of June 30, 2021 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Index-SAPIHG as of June 30, 2021 is 2.18%.

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	24.00%	4.42%
Domestic Equity - Small/Mid Capital	21.50%	4.81%
International Equity - Developed Market	14.00%	4.91%
International Equity - Emerging Market	9.00%	5.58%
Domestic Fixed Income	19.50%	1.00%
International Fixed Income	4.00%	1.04%
Alternatives	8.00%	5.98%
Real Estate	0.00%	6.25%
Total	100.00%	
I. Real Rate of Return		4.00%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		6.50%
IV. Less Investment Expense		0.25%
V. Net investment Return (III.-IV.)		6.25%

* = Mean Geometric Returns based on 2021 Horizon Survey of Capital Market Assumptions.

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return (which expresses investment performance), net of investment expense is 27.67%.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

Discount Rate

The discount rate used to measure the total OPEB liability was 5.29%. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover until Fiscal Year 2073 and the Municipal Bond Rate is applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20-year High Grade Index, which was 2.18% as of June 30, 2021.

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2020	\$ 1,923,303	\$ 276,856	\$ 1,646,447
Service cost	67,860	-	67,860
Interest on Total OPEB Liability	122,438	-	122,438
Changes in benefit terms *	-	-	-
Changes in assumptions **	504,503	-	504,503
Difference between actual and expected experience **	93,647	-	93,647
Net investment income	-	81,603	(81,603)
Employer contributions to Trust	-	135,307	(135,307)
Total benefit payments including implicit cost	(65,307)	(65,307)	-
Net change in total OPEB liability	723,141	151,603	571,538
Balances at June 30, 2021	\$ 2,646,444	\$ 428,459	\$ 2,217,985

* = Recognized immediately

** = Amortized over 5.16 years

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 (4.29%) or 1-percentage-point higher (6.29%) than the current rate:

	1% Decrease (4.29%)	Current Discount Rate (5.29%)	1% Increase (6.29%)
	Town's net OPEB liability	\$ 2,673,629	\$ 2,217,985

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

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	\$ 1,816,291	\$ 2,217,985	\$ 2,730,359

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, 2021, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$159,359 and reported deferred outflows of resources related to OPEB of \$580,194 from the difference between actual and expected experience and the changes in assumptions; and deferred inflows of resources related to OPEB of \$79,922 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,	
2022	\$ 124,602
2023	124,600
2024	122,455
2025	110,060
2026	18,555
	\$ 500,272

G. Implementation of New GASB Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities*, 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 2021.

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2021

H. 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. 87, *Leases*, for implementation in fiscal year 2022.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, for implementation in fiscal year 2022.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal 2022.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, for implementation in fiscal year 2021 and 2022.

5. RESTATEMENT

The net position as of June 30, 2020 has been restated. As required by GASB Statement No. 84, the beginning nonmajor governmental fund balance in governmental funds and net position increased \$41,434 for governmental activities to reflect the change in the fiduciary activities. Accordingly, the previously reported net position of \$8,186,737 has been revised to \$8,228,171 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, 2021

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:

Mesurement 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
12/31/2020	0.4792%	\$ 4,257,026	\$ 1,323,721	321.60%	50.29%
12/31/2019	0.4725%	\$ 4,206,103	\$ 1,157,128	363.50%	47.36%
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, 2021

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:

Measurement Date	Actuarially determined contribution	Less: Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Town's covered employee payroll	Contributions percentage of covered employee payroll
12/31/2020	\$ 322,339	\$ (322,339)	\$ -	\$ 1,323,721	24.35%
12/31/2019	\$ 287,712	\$ (287,712)	\$ -	\$ 1,157,128	24.86%
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, 2021

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability					
Service cost	\$ 67,860	\$ 63,074	\$ 62,121	\$ 41,690	\$ 40,087
Interest on net OPEB liability	122,438	115,566	65,964	63,784	62,922
Changes in Benefit terms	-	-	-	-	-
Changes in Assumptions	504,503	58,133	(72,660)	-	-
Difference between actual and expected experience	93,647	-	129,804	-	-
Benefit payments, including refunds of member contributions	(65,307)	(55,804)	(59,144)	(83,462)	(81,825)
Net change in total OPEB liability	723,141	180,969	126,085	22,012	21,184
Total OPEB liability-beginning	1,923,303	1,742,334	1,616,249	1,594,237	1,573,053
Total OPEB liability-ending (a)	\$ 2,646,444	\$ 1,923,303	\$ 1,742,334	\$ 1,616,249	\$ 1,594,237
Plan fiduciary net position					
Net investment income	81,603	5,197	20,404	1,090	\$ 126
Employer contributions to Trust	135,307	105,804	109,144	133,462	131,825
Benefit payments, including refunds of member contributions	(65,307)	(55,804)	(59,144)	(83,462)	(81,825)
Net change in plan fiduciary net position	151,603	55,197	70,404	51,090	50,126
Total fiduciary net position-beginning	276,856	221,659	151,255	100,165	50,039
Total fiduciary net position-ending (b)	\$ 428,459	\$ 276,856	\$ 221,659	\$ 151,255	\$ 100,165
Town's net OPEB liability (a-b)	\$ 2,217,985	\$ 1,646,447	\$ 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, 2021

Schedule of Net OPEB Liability:

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability	\$ 2,646,444	\$ 1,923,303	\$ 1,742,334	\$ 1,616,249	\$ 1,594,237
Less: Plan fiduciary net position	<u>(428,459)</u>	<u>(276,856)</u>	<u>(221,659)</u>	<u>(151,255)</u>	<u>(100,165)</u>
Town's Net OPEB liability	<u>\$ 2,217,985</u>	<u>\$ 1,646,447</u>	<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	16.19%	14.39%	12.72%	9.36%	6.28%
Town's share of covered employee payroll	\$ 1,598,996	\$ 1,199,353	\$ 1,164,240	\$ 1,122,000	\$ 1,100,000
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	138.71%	137.28%	130.62%	130.57%	135.82%

Schedule of Contributions:

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarially determined contribution	\$ 167,739	\$ 146,149	\$ 171,463	\$ 133,462	\$ 131,825
Less: Contributions in relation to the actuarially determined contribution	<u>(135,307)</u>	<u>(105,804)</u>	<u>(109,144)</u>	<u>(83,462)</u>	<u>(81,825)</u>
Contribution deficiency (excess)	<u>\$ 32,432</u>	<u>\$ 40,345</u>	<u>\$ 62,319</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Town's share of covered employee payroll	\$ 1,598,996	\$ 1,199,353	\$ 1,164,240	\$ 1,122,000	\$ 1,100,000
Contributions percentage of covered-employee payroll	8.46%	8.82%	9.37%	7.44%	7.44%
Annual money-weighted rate of return net of investment expense	27.67%	2.34%	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, 2021

Schedule of Funding Progress:

Measurement Date	Other Post Employment Benefits						
	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)	
6/30/2021	\$ 428,459	\$ 2,646,444	\$ 2,217,985	16.19%	\$ 1,598,996	138.71%	
6/30/2020	\$ 276,856	\$ 1,923,303	\$ 1,646,447	14.39%	\$ 1,199,353	137.28%	
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, 2021

	Fund Balances July 1, 2020	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2021
Special Revenue:					
Federal and State Grants:					
Arts Lottery Council Grants	\$ 5,200	\$ -	\$ -	\$ -	\$ 5,200
Council on Aging Grants	14,996	23,156	3,457	-	34,695
Emergency Management Grants (COVID-19)	2,930	2,479	5,409	-	-
Extended Polling Hours	1,321	3,547	3,844	-	1,024
Green Community Grants	-	101,182	98,363	-	2,819
Highway Grants	(39,672)	964,035	914,083	-	10,280
Lake Wickaboag Grant	5,100	-	2,500	-	2,600
Library Grants	42,124	7,891	-	-	50,015
Municipal Vulnerability Planning Grant	-	20,000	10,000	-	10,000
Other Grants and Programs	571	-	-	-	571
Public Safety Grants	26,358	53,427	53,158	-	26,627
Smart Growth Grant	4,558	-	-	-	4,558
Storm Water Grants	15,028	-	-	-	15,028
Other:					
Cable Grants	43,159	40,110	5,413	-	77,856
Cemetery Revolving	17,941	7,535	-	-	25,476
Conservation Funds	16,354	394	-	-	16,748
Curb Cut Escrow	41,387	12,473	6,555	-	47,305
Deputy Collector Fees	41,434	9,339	19,008	-	31,765
Gifts and Donations	76,443	1,521	6,053	-	71,911
Housing and Septic Repair Loan Repayments	313,725	4,366	-	(299,935)	18,156
Insurance Proceeds	19,512	50,616	24,718	-	45,410
Planning Board Revolving	664	-	-	-	664
Police Off Duty Detail Revolving	2,265	253,956	256,221	-	-
Road Machinery Fund	9,443	3,425	-	-	12,868
Stewardship Program Revolving	3,025	80	-	-	3,105
Storm Water Revolving	9,602	10,105	10,105	-	9,602
Town Document Search	411	-	-	-	411
Total Special Revenue Page 60	\$ 673,879	\$ 1,569,637	\$ 1,418,887	\$ (299,935)	\$ 524,694

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Fund Balances July 1, 2020	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2021
Continued from Page 60	\$ 673,879	\$ 1,569,637	\$ 1,418,887	\$ (299,935)	\$ 524,694
Special Revenue (continued):					
Other (continued):					
Self Insurance Trust	19,822	866	-	-	20,688
Unemployment Trust	-	-	-	25,000	25,000
Total Special Revenue	<u>693,701</u>	<u>1,570,503</u>	<u>1,418,887</u>	<u>(274,935)</u>	<u>570,382</u>
Capital Projects:					
Police vehicles	(44,000)	-	22,216	22,216	(44,000)
Route 9 engineering	(212,065)	-	35,435	329,500	82,000
Water Line Settlement	20,335	-	-	-	20,335
Well on Braintree Road	18,710	-	1,225	-	17,485
Total Capital Projects Funds	<u>(217,020)</u>	<u>-</u>	<u>58,876</u>	<u>351,716</u>	<u>75,820</u>
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	<u>\$ 296,582</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,582</u>

TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Fund Balances July 1, 2020	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2021
Permanent Funds:					
Cemetery Perpetual Care Funds	\$ 126,824	\$ 19,856	\$ 136	\$ -	\$ 146,544
Library Funds	130,879	33,227	5,669	-	158,437
Quaboag Park/Town Common Funds :					
John G. Shackley Fund	14,729	3,256	-	-	17,985
Helen Paige Shackley Bandstand	5,977	952	-	-	6,929
Helen B. Hawks/Stickney Fund	4,943	817	-	-	5,760
Margaret Preisach Magnante Fund	9,432	1,989	-	-	11,421
Other Trust Funds:					
Priscilla E. Side Fund	5,655	24	-	-	5,679
Common Committee Fund	713	-	-	-	713
Col. Fairfax Ayers Monument Fund	4,116	263	-	-	4,379
Historical Commission Fund	65,021	11,647	7,000	-	69,668
Lucy Stone Birthplace Fund	299	(25)	-	-	274
Peter Brady Memorial Fund	106	5	-	-	111
Recreation Committee Fund	2,499	(216)	-	-	2,283
Reynis Town Hall Interior Fund	25,314	1,099	-	-	26,413
Rice Fountain Trust	26,786	1,382	-	-	28,168
Total Permanent Funds	423,293	74,276	12,805	-	484,764
Total Non-Major Governmental Funds	\$ 1,196,556	\$ 1,644,779	\$ 1,490,568	\$ 76,781	\$ 1,427,548

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF REAL ESTATE AND PERSONAL PROPERTY TAXES
JULY 1, 2020 TO JUNE 30, 2021**

	Uncollected Taxes July 1, 2020	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2021	Uncollected Taxes Per Detail June 30, 2021
Real Estate Taxes:						
Levy of 2021	\$ -	\$ 6,098,183	\$ 47,473	\$ 5,839,966	\$ 210,744	\$ 210,744
Levy of 2020	248,988	-	19,440	121,413	108,135	108,135
Levy of 2019	118,860	-	27,441	43,270	48,149	48,149
Levy of 2018	89,722	-	24,185	22,308	43,229	32,586
Levy of 2017	71,605	-	25,491	20,480	25,634	25,634
Prior Years	34,691	-	(4,409)	11,439	27,661	27,661
	<u>563,866</u>	<u>6,098,183</u>	<u>139,621</u>	<u>6,058,876</u>	<u>463,552</u>	<u>452,909</u>
Personal Property Taxes:						
Levy of 2021	-	313,556	1,024	308,355	4,177	4,177
Levy of 2020	93,061	-	88,254	-	4,807	4,807
Levy of 2019	4,070	-	-	71	3,999	3,999
Levy of 2018	2,033	-	(785)	369	2,449	2,449
Levy of 2017	448	-	76	-	372	372
Prior Years	(211)	-	-	(221)	10	10
	<u>99,401</u>	<u>313,556</u>	<u>88,569</u>	<u>308,574</u>	<u>15,814</u>	<u>15,814</u>
Total Real Estate and Personal Property Taxes	<u>\$ 663,267</u>	<u>\$ 6,411,739</u>	<u>\$ 228,190</u>	<u>\$ 6,367,450</u>	<u>\$ 479,366</u>	<u>\$ 468,723</u>

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF MOTOR VEHICLE EXCISE TAXES
JULY 1, 2020 TO JUNE 30, 2021**

	Uncollected Taxes July 1, 2020	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Taxes June 30, 2021	Uncollected Taxes Per Detail June 30, 2021
Motor Vehicle Excise Taxes:						
Levy of 2021	\$ -	\$ 520,123	\$ 9,805	\$ 413,512	\$ 96,806	\$ 96,806
Levy of 2020	65,312	76,688	6,379	116,557	19,064	19,064
Levy of 2019	26,577	-	324	19,638	6,615	6,615
Levy of 2018	12,327	-	-	3,827	8,500	8,500
Levy of 2017	10,249	-	-	1,127	9,122	9,122
Prior Years	58,081	-	27,183	3,691	27,207	27,207
Total Motor Vehicle Excise Taxes	\$ 172,546	\$ 596,811	\$ 43,691	\$ 558,352	\$ 167,314	\$ 167,314

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS
SCHEDULE OF TAX LIENS
JULY 1, 2020 TO JUNE 30, 2021**

	Uncollected Accounts July 1, 2020	Commitments	Abatements and Adjustments	Collections Net of Refunds and Overpayments	Uncollected Accounts June 30, 2021	Uncollected Accounts Per Detail June 30, 2021
Tax Liens	\$ 173,444	\$ 114,484	\$ -	\$ 37,109	\$ 250,819	\$ 261,357