

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Report on the Examination of Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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## **Independent Auditor's Report**

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

### **Opinions**

We have audited the 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, 2023, 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.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position thereof 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of West Brookfield, Massachusetts, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of West Brookfield, Massachusetts' internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of West Brookfield, Massachusetts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan and other post-employment benefit plan schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

## Supplementary 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 accompanying Supplementary Schedule, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Scanlon and Associates, LLC*

Scanlon & Associates, LLC  
South Deerfield, Massachusetts

July 22, 2024

## **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, 2023. 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 \$9,859,399 (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 \$9,731,084, or an increase of \$128,315 (1%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$6,704,826, an increase of \$381,246.
- The General Fund's total fund balance increased \$209,363 to \$3,871,637. The ending fund balance is 44% of revenues and 45% of expenditures and transfers out.
- Total long-term liabilities of the Town are \$8,929,627.
- The Town had General fund free cash certified by the Department of Revenue in the amount of \$946,025. The key factors that attributed to the free cash amount for fiscal year 2023 were unexpended/unencumbered appropriations of \$497,000, excess over budget state and local receipts of \$245,300 and prior year free cash not appropriated of \$157,900.

### 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

	<b>Governmental Activities 2023</b>
<b>Assets:</b>	
Current assets	\$ 9,681,928
Capital assets	8,964,276
<b>Total assets</b>	<b>18,646,204</b>
<b>Deferred Outflows of Resources</b>	<b>957,017</b>
<b>Liabilities:</b>	
Current liabilities (excluding debt and leases)	1,909,051
Current debt and leases	121,838
Noncurrent liabilities (excluding debt)	6,767,238
Noncurrent debt and leases	131,500
<b>Total liabilities</b>	<b>8,929,627</b>
<b>Deferred Inflows of Resources</b>	<b>814,195</b>
<b>Net Position:</b>	
Net Investment in Capital Assets	8,710,938
Restricted	1,581,998
Unrestricted	(433,537)
<b>Total net position</b>	<b>\$ 9,859,399</b>



**Financial Highlights**  
**Statement of Activities Highlights**

	<b>Governmental Activities 2023</b>
	<b>2023</b>
<b>Program Revenues:</b>	
Charges for services	\$ 856,291
Operating grants and contributions	584,682
Capital grants and contributions	461,361
<b>General Revenues:</b>	
Property taxes	6,787,249
Motor vehicle excise and other taxes	619,176
Penalties and interest on taxes	94,342
Nonrestricted grants	645,129
Unrestricted investment income	158,084
Miscellaneous	37,024
<b>Total revenues</b>	<b>10,243,338</b>
<b>Expenses:</b>	
General government	902,407
Public safety	1,021,653
Public works	1,340,509
Water	535,211
Education	4,523,704
Health and human services	200,210
Culture and recreation	320,501
Employee benefits and insurance	1,169,608
State assessments	93,815
Interest	7,405
<b>Total expenses</b>	<b>10,115,023</b>
<b>Change in net position</b>	<b>128,315</b>
<b>Net position - beginning of year</b>	<b>9,731,084</b>
<b>Net position - end of year</b>	<b>\$ 9,859,399</b>

**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 \$9,859,399 at the close of fiscal year 2023.

Net position of \$8,710,938 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, \$1,581,998 represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$433,537).

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 Other Post-employment Benefit Plan (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 \$128,315 (1%) during the current fiscal year. The key elements of the increase in net position for fiscal year 2023 are attributed to net increases in the changes to governmental funds of \$381,246, in the OPEB liability of \$485,777 and in the deferred outflow/(inflow) of resources related to pensions of \$707,213; and net decreases as a result of recognizing this year's changes to the deferred outflow/(inflow) of resources related to OPEB of \$574,065 and to the pension liability of \$822,235.

### **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 \$6,704,826, an increase of \$381,246 (6%) in comparison with the prior year.

The breakdown of the governmental fund balances is as follows:

- Nonspendable fund balance – \$296,581 (4%).
- Restricted fund balance – \$1,119,320 (17%).
- Committed fund balance – \$1,417,288 (21%).
- Assigned fund balance – \$877,618 (13%).
- Unassigned fund balance – \$2,994,019 (45%).

#### **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 \$3,871,637 increasing \$209,363 (6%) from the prior year. Of the \$3,871,637, the unassigned amount is \$2,994,019 (77%) and the assigned amount is \$877,618 (23%). General fund revenues were \$8,802,033 while expenditures were \$8,587,670. Other activities in the General Fund were net transfers out to other funds of \$5,000.

The *Water Fund* is the financing and operations of the Town's water system. The water fund has accumulated a balance of \$1,291,868 and shows an increase of \$165,162 (15%) in total operations. This change resulted from revenues exceeding expenditures.

The *American Rescue Plan Act (ARPA) Grant Fund* is a United States Federal Government established funding source to assist in the fighting of the coronavirus. The fund has no balance. This is attributed to revenues of \$39,408 and expenses of \$39,408. The fund has an accumulated liability balance of \$1,053,227 for unearned revenue.

### **General Fund Budgetary Highlights**

The final general fund budget for fiscal year 2023 was \$9,442,546.

There was an increase of \$222,917 between the total original budget and the total final amended budget. The change is attributed to votes at various Special Town Meetings for various budget operating line items.

General fund expenditures were less than budgeted by \$854,876. Of the \$854,876 in under budget expenditures, \$357,919 has been carried over to fiscal year 2024.

There are negative variances in property taxes of \$10,636 and in intergovernmental receipts of \$34,052 as the expectations (budget) were higher than the actual receipts.

The variance with the final budget was a positive \$731,646 consisting of a revenue surplus of \$234,689 and an appropriation surplus of \$496,957.

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

**Capital Assets.** The Town's investment in capital assets for its governmental activities as of June 30, 2023 amounts to \$8,964,276.

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 \$53,055.
- Fire Department vehicle purchase for \$25,000.
- Road and sidewalk infrastructure improvements for \$514,127.

**Debt Administration.** The Town's outstanding governmental debt, as of June 30, 2023, totaled \$245,500 of which \$48,000 is for departmental vehicles and equipment and \$197,500 is for the engineering of roads.

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 \$8,304 on the lease consisting of \$7,838 in principal and \$466 in interest.

Please refer to notes 3D, 3F, and 3G 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, 2023 do not reflect the fiscal year 2024 Town Meeting action with the exception of the fund balance (free cash) amount.

The Annual Town Meeting on June 13, 2023 authorized a fiscal year 2024 operating and capital budget as follows:

From the tax levy	\$ 9,140,021
From Other Available Funds:	
<b>General Fund:</b>	
Unassigned fund balance:	
Free cash	519,699
<b>Non-major Governmental Funds:</b>	
Cemetery perpetual care fund	5,500
	<u>\$ 9,665,220</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, 2023**

	<b>Primary Government</b>
	<b>Governmental Activities</b>
<b>ASSETS</b>	
CURRENT:	
Cash and Cash Equivalents	\$ 3,288,410
Investments	5,065,654
Receivables, net of allowance for uncollectibles:	
Property Taxes	394,042
Tax Liens	295,022
Excise Taxes	91,510
User Charges	155,330
Due from Other Governments	391,960
Total current assets	9,681,928
NONCURRENT:	
Capital Assets, net of accumulated Depreciation	
Nondepreciable	512,187
Depreciable	8,452,089
Total noncurrent assets	8,964,276
<b>Total Assets</b>	<b>18,646,204</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pensions	612,249
Deferred Outflows Related to OPEB	344,768
<b>Total Deferred Outflows of Resources</b>	<b>957,017</b>
<b>LIABILITIES</b>	
CURRENT:	
Warrants Payable	169,362
Accrued Payroll	45,823
Payroll Withholdings	9,613
Tax Refund Payable	67,900
Other	536,284
Unearned Revenue	1,053,227
Accrued Interest	1,584
Compensated Absences	25,258
Leases Payable	7,838
Bonds Payable	114,000
Total current liabilities	2,030,889
NONCURRENT:	
Compensated Absences	227,325
Net OPEB Liability	1,887,965
Net Pension Liability	4,651,948
Bonds Payable	131,500
Total noncurrent liabilities	6,898,738
<b>Total Liabilities</b>	<b>8,929,627</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to Pensions	302,945
Deferred Inflows Related to OPEB	511,250
<b>Total Deferred Inflows of Resources</b>	<b>814,195</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	8,710,938
Restricted for:	
Federal & State Grants	346,398
Permanent Funds:	
Expendable	474,471
Nonexpendable	296,581
Other Purposes	464,548
Unrestricted	(433,537)
<b>Total Net Position</b>	<b>\$ 9,859,399</b>

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, 2023**

	<u>Program Revenues</u>				<b>Net (Expenses) Revenues and and Changes in Net Position</b>
	<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>
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
General Government	\$ 902,407	\$ 46,558	\$ 123,218	\$ -	\$ (732,631)
Public Safety	1,021,653	179,271	13,139	-	(829,243)
Public Works	1,340,509	17,226	-	461,361	(861,922)
Water	535,211	593,416	10,191	-	68,396
Education	4,523,704	-	328,719	-	(4,194,985)
Health and Human Services	200,210	19,820	57,764	-	(122,626)
Culture and Recreation	320,501	-	51,651	-	(268,850)
Employee Benefits and Insurance	1,169,608	-	-	-	(1,169,608)
State Assessments	93,815	-	-	-	(93,815)
Interest	7,405	-	-	-	(7,405)
<b>Total Governmental Activities</b>	<u>10,115,023</u>	<u>856,291</u>	<u>584,682</u>	<u>461,361</u>	<u>(8,212,689)</u>
<b>Total Primary Government</b>	<u>\$ 10,115,023</u>	<u>\$ 856,291</u>	<u>\$ 584,682</u>	<u>\$ 461,361</u>	<u>(8,212,689)</u>
<b>General Revenues:</b>					
Property Taxes					6,787,249
Motor vehicle excise and other taxes					619,176
Penalties & Interest on Taxes					94,342
Grants & Contributions not restricted to specific programs					645,129
Unrestricted Investment Income					158,084
Miscellaneous					37,024
<b>Total General Revenues</b>					<u>8,341,004</u>
					Change in Net Position
					128,315
					<b>Net Position:</b>
					Beginning of year
					<u>9,731,084</u>
					End of year
					<u>\$ 9,859,399</u>

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	Water Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 672,900	\$ 1,034,328	\$ 1,053,227	\$ 527,955	\$ 3,288,410
Investments	3,970,515	280,909		814,230	5,065,654
Receivables, net of allowance for uncollectibles:					
Property Taxes	394,042	-	-	-	394,042
Tax Liens	295,022	-	-	-	295,022
Excise Taxes	91,510	-	-	-	91,510
User Charges	-	155,330	-	-	155,330
Due from Other Governments	23,392	-	-	368,568	391,960
<b>Total Assets</b>	<b>\$ 5,447,381</b>	<b>\$ 1,470,567</b>	<b>\$ 1,053,227</b>	<b>\$ 1,710,753</b>	<b>\$ 9,681,928</b>
<b>Liabilities:</b>					
Warrants Payable	\$ 146,430	\$ 20,342	\$ -	\$ 2,590	\$ 169,362
Accrued Payroll	42,051	3,027	-	745	45,823
Payroll Withholdings	9,613	-	-	-	9,613
Tax Refund Payable	67,900	-	-	-	67,900
Other	536,284	-	-	-	536,284
Unearned Revenue	-	-	1,053,227	-	1,053,227
<b>Total Liabilities</b>	<b>802,278</b>	<b>23,369</b>	<b>1,053,227</b>	<b>3,335</b>	<b>1,882,209</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue	773,466	155,330	-	166,097	1,094,893
<b>Fund Balance:</b>					
Nonspendable	-	-	-	296,581	296,581
Restricted	-	-	-	1,119,320	1,119,320
Committed	-	1,291,868	-	125,420	1,417,288
Assigned	877,618	-	-	-	877,618
Unassigned	2,994,019	-	-	-	2,994,019
<b>Total Fund Balance</b>	<b>3,871,637</b>	<b>1,291,868</b>	<b>-</b>	<b>1,541,321</b>	<b>6,704,826</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,447,381</b>	<b>\$ 1,470,567</b>	<b>\$ 1,053,227</b>	<b>\$ 1,710,753</b>	<b>\$ 9,681,928</b>

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, 2023**

	General Fund	Water Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 6,753,144	\$ -	\$ -	\$ -	\$ 6,753,144
Intergovernmental	991,880	-	39,408	589,419	1,620,707
Excise and Other Taxes	609,819	-	-	-	609,819
Licenses, Permits, Fees	194,764	-	-	-	194,764
Charges for Services	-	579,182	-	105,135	684,317
Interest on Delinquent Taxes	94,342	-	-	-	94,342
Investment Income	158,084	10,191	-	31,199	199,474
Other	-	-	-	67,781	67,781
<b>Total Revenues</b>	<b>8,802,033</b>	<b>589,373</b>	<b>39,408</b>	<b>793,534</b>	<b>10,224,348</b>
<b>Expenditures:</b>					
Current:					
General Government	688,994	-	39,408	126,781	855,183
Public Safety	982,416	-	-	75,983	1,058,399
Public Works	843,078	-	-	527,843	1,370,921
Water	-	424,211	-	1,200	425,411
Education	4,500,899	-	-	-	4,500,899
Health and Human Services	157,671	-	-	10,819	168,490
Culture and Recreation	233,446	-	-	47,251	280,697
Employee Benefits and Insurance	964,362	-	-	1,936	966,298
State Assessments	93,815	-	-	-	93,815
Debt Service:					
Principal	114,000	-	-	-	114,000
Interest	8,989	-	-	-	8,989
<b>Total Expenditures</b>	<b>8,587,670</b>	<b>424,211</b>	<b>39,408</b>	<b>791,813</b>	<b>9,843,102</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>214,363</b>	<b>165,162</b>	<b>-</b>	<b>1,721</b>	<b>381,246</b>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	-	-	-	5,000	5,000
Operating Transfers Out	(5,000)	-	-	-	(5,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>209,363</b>	<b>165,162</b>	<b>-</b>	<b>6,721</b>	<b>381,246</b>
<b>Fund Balances, Beginning of Year</b>	<b>3,662,274</b>	<b>1,126,706</b>	<b>-</b>	<b>1,534,600</b>	<b>6,323,580</b>
<b>Fund Balances, End of Year</b>	<b>\$ 3,871,637</b>	<b>\$ 1,291,868</b>	<b>\$ -</b>	<b>\$ 1,541,321</b>	<b>\$ 6,704,826</b>

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, 2023**

<b>Total Governmental Fund Balances</b>		\$	6,704,826
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.			8,964,276
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.			142,822
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.			1,094,893
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	\$	(253,338)	
Net Other Post Employment Benefits Liability		(1,887,965)	
Net Pension Liability		(4,651,948)	
Compensated Absences		<u>(252,583)</u>	(7,045,834)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.			<u>(1,584)</u>
<b>Net Position of Governmental Activities</b>		<b>\$</b>	<b><u><u>9,859,399</u></u></b>

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, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ 381,246

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	\$ 592,182	
Depreciation	<u>(746,171)</u>	(153,989)

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.

18,990

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	121,397
---------------------------------------	---------

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	(37,603)	
Net Change in Net Other Post Employment Benefits Liability	485,777	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	(574,065)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	707,213	
Net Change in Net Pension Liability	(822,235)	
Net Change in Accrued Interest on Long-Term Debt	<u>1,584</u>	<u>(239,329)</u>

**Change in Net Position of Governmental Activities** \$ 128,315

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, 2023**

	Budgeted Amounts				Actual Budgetary Basis	Amounts Carried Forward to Next Year	Variance with Final Budget Positive (Negative)
	Amounts Carried						
	Forward from Prior Year	Original Budget	Final Budget				
<b>Revenues:</b>							
Property Taxes	\$ -	\$ 6,798,280	\$ 6,798,280	\$ 6,787,644	\$ -	\$ (10,636)	
Intergovernmental	-	1,025,932	1,025,932	991,880	-	(34,052)	
Excise and Other Taxes	-	525,600	525,600	609,819	-	84,219	
Licenses, Permits, Fees	-	125,720	125,720	194,764	-	69,044	
Interest on Delinquent Taxes	-	90,000	90,000	94,342	-	4,342	
Investment Income	-	13,000	13,000	134,772	-	121,772	
<b>Total Revenues</b>	-	8,578,532	8,578,532	8,813,221	-	234,689	
<b>Expenditures:</b>							
Current:							
General Government	195,120	824,284	1,069,989	688,994	194,343	186,652	
Public Safety	2,840	1,018,369	1,091,959	982,416	85,518	24,025	
Public Works	81,875	863,207	982,804	843,078	78,058	61,668	
Education	-	4,598,972	4,598,972	4,500,899	-	98,073	
Health and Human Services	-	214,013	214,013	157,671	-	56,342	
Culture and Recreation	2,023	249,905	251,928	233,446	-	18,482	
Employee Benefits and Insurance	-	949,827	1,013,687	964,362	-	49,325	
State Assessments	-	94,104	94,104	93,815	-	289	
Debt Service:							
Principal	-	115,000	115,000	114,000	-	1,000	
Interest	-	10,090	10,090	8,989	-	1,101	
<b>Total Expenditures</b>	281,858	8,937,771	9,442,546	8,587,670	357,919	496,957	
<b>Excess of Revenues Over (Under) Expenditures</b>	(281,858)	(359,239)	(864,014)	225,551	(357,919)	731,646	
<b>Other Financing Sources (Uses):</b>							
Operating Transfers In	-	-	70,750	70,750	-	-	
Operating Transfers Out	-	-	(205,000)	(205,000)	-	-	
<b>Total Other Financing Sources (Uses)</b>	-	-	(134,250)	(134,250)	-	-	
<b>Net Change in Budgetary Fund Balance</b>	(281,858)	(359,239)	(998,264)	\$ 91,301	\$ (357,919)	\$ 731,646	
<b>Other Budgetary Items:</b>							
Free Cash and Other Reserves	-	359,239	716,406				
Prior Year Encumbrances	281,858	-	281,858				
<b>Total Other Budgetary Items</b>	281,858	359,239	998,264				
<b>NET BUDGET</b>	\$ -	\$ -	\$ -				

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, 2023**

	<b>Revenues</b>	<b>Expenditures</b>
<b>Reported on a Budgetary Basis</b>	\$ 8,813,221	\$ 8,587,670
<i>Adjustments:</i>		
Activity for Stabilization Fund Recorded in the General Fund for GAAP Purposes	23,312	-
Net Decrease in Revenue from recording Refund Taxes Payable	(20,400)	-
Net Decrease in Revenue from Recording 60-Day Receipts	(14,100)	-
<b>Reported on a GAAP Basis</b>	\$ 8,802,033	\$ 8,587,670

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, 2023**

		<u>Other Post Employment Benefit Trust Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$	130,000
Investments		388,960
<b>Total Assets</b>		<u>518,960</u>
<b>LIABILITIES</b>		
Warrants Payable		<u>-</u>
<b>Total Liabilities</b>		<u>-</u>
<b>NET POSITION</b>		
Restricted for Other Postemployment Benefits		518,960
<b>Total Net Position</b>	<b>\$</b>	<u><u>518,960</u></u>

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Other Post Employment Benefit Trust Fund</b>
<b>Additions:</b>	
Employer Contributions	\$ 183,863
Investment Income	28,877
<b>Total Additions</b>	<b>212,740</b>
<b>Deductions:</b>	
Employee Benefits and Insurance	83,863
<b>Total Deductions</b>	<b>83,863</b>
<b>Change in Net Position</b>	<b>128,877</b>
<b>Net Position at Beginning of Year</b>	<b>390,083</b>
<b>Net Position at End of Year</b>	<b>\$ 518,960</b>

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, 2023**

**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 2023, 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, 2023**

**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, 2023**

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

**Government-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

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

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

The Town reports the following major governmental funds:

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

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

The *american rescue plan act (ARPA) grant fund* is a United States Federal Government established funding source to assist in the fighting of the coronavirus.

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

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, 2023**

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, 2022 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 2023 on June 27, 2022 that were due on August 1, 2022 and November 1, 2022 and the actual tax bills were mailed on December 27, 2022 that were due on February 1, 2023 and May 1, 2023, 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 2023 is as follows.

Legal Levy Limit Under Proposition		
2 1/2 for fiscal year 2023	\$	6,629,489
Add: Debt Exclusion		165,737
Add: New Growth		58,553
Maximum Allowable Levy	\$	6,853,779

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

The total amount raised by taxation was \$6,845,170.

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

**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 police off-duty details.

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, 2023**

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:

<b>Capital Asset Type</b>	<b>Years</b>
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, 2023**

**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:

"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, 2023**

*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 is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

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

**L. Investment Income**

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).

**M. 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.

**N. 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.

**O. 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.

**P. 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.



**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**Q. 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.

**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 1<sup>st</sup>.
- 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 2023, the Town incurred a final budget deficit of \$998,264 for the General Fund.

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

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

Unassigned fund balance:	
Free cash votes	\$ 716,406
Prior year's encumbrances	281,858
	\$ 998,264

**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, 2023 were \$3,945,993. Of these, none are exposed to custodial credit risk as uninsured and uncollateralized.

**Investment Policies**

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

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

As of June 30, 2023, the Town had the following investments and maturities:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>	
		<b>Less Than 1</b>	<b>1 to 5</b>
<b>Debt Securities:</b>			
U. S. treasury obligations	\$ 708,115	\$ 316,756	\$ 391,359
U. S. government agencies	136,629	-	136,629
Corporate bonds	625,875	96,708	529,167
Money market mutual fund	105,935	105,935	-
	<u>1,576,554</u>	<u>\$ 519,399</u>	<u>\$ 1,057,155</u>
<b>Other Investments:</b>			
Certificate of deposits	72,643		
Equity securities-domestic stocks	532,903		
Mutual funds	402,359		
MMDT	2,870,155		
	<u>\$ 5,454,614</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 \$5,454,614 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, 2023**

**Credit Risk**

The Town's exposure to credit risk as of June 30, 2023 is as follows:

Related Debt Instruments	Fair Value
<b>Moody's Quality Ratings</b>	
<b><i>U. S. Treasury Obligations:</i></b>	
Aaa	\$ 708,115
<b><i>U. S. Government Agencies:</i></b>	
Aaa	136,629
<b><i>Corporate Bonds:</i></b>	
Aaa	74,308
A1	85,843
A2	153,290
Baa1	135,680
Baa2	176,754
<b><i>Money Market Mutual Funds:</i></b>	
Not rated	105,935
	\$ 1,576,554

**Concentration of Credit Risk**

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

**Fair Value of Investments**

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

The Town has the following recurring fair value measurements as of June 30, 2023:

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. treasury obligations	\$ 708,115	\$ 708,115	\$ -	\$ -
U. S. government agencies	136,629	136,629	-	-
Certificate of deposits	72,643	72,643	-	-
Equity securities - domestic	532,903	532,903	-	-
Money market mutual fund	105,935	105,935	-	-
Mutual funds	402,359	402,359	-	-
Corporate bonds	625,875	-	625,875	-
	2,584,459	\$ 1,958,584	\$ 625,875	\$ -
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	2,870,155			
Total Investments	\$ 5,454,614			

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, 2023, 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
<b>Major and nonmajor governmental funds:</b>			
Property taxes	\$ 399,216	\$ (5,174)	\$ 394,042
Tax liens	295,022	-	295,022
Excise taxes	146,448	(54,938)	91,510
User charges	155,830	(500)	155,330
Due from other governments	391,960	-	391,960
	\$ 1,388,476	\$ (60,612)	\$ 1,327,864

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

The composition of amounts due from other governments as of June 30, 2023 for governmental funds is as follows:

**General Fund:**

**Commonwealth of Massachusetts:**

Department of Veterans Services:

Veterans benefits	\$	23,392
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**Nonmajor Governmental Funds:**

**Commonwealth of Massachusetts:**

Executive Office of Environmental Affairs:

Planning Grant	\$	11,250
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Massachusetts Department of Transportation:

Highway Department - Chapter 90 funds	295,317	
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Shared Streets Grant	62,001	368,568
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	<u>\$</u>	<u>391,960</u>
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**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	\$	363,542
Tax liens		295,022
Excise taxes		91,510
Due from other governments		23,392
	<u>\$</u>	<u>773,466</u>

**Water Fund:**

User charges		155,330
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**Nonmajor Governmental Funds:**

Due from other governments		166,097
	<u>\$</u>	<u>1,094,893</u>

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2023, is as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 512,187	\$ -	\$ -	\$ 512,187
Total capital assets not being depreciated	512,187	-	-	512,187
Capital assets being depreciated:				
Buildings and Renovations	4,680,789	-	-	4,680,789
Machinery, equipment and other	3,425,710	78,055	-	3,503,765
Infrastructure	11,284,439	514,127	-	11,798,566
Total capital assets being depreciated	19,390,938	592,182	-	19,983,120
Less accumulated depreciation for:				
Buildings and Renovations	3,642,182	138,182	-	3,780,364
Machinery, equipment and other	3,218,054	138,116	-	3,356,170
Infrastructure	3,924,623	469,874	-	4,394,497
Total accumulated depreciation	10,784,859	746,172	-	11,531,031
Total capital assets being depreciated, net	8,606,079	(153,990)	-	8,452,089
Total governmental activities capital assets, net	\$ 9,118,266	\$ (153,990)	\$ -	\$ 8,964,276

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

<b>Governmental Activities:</b>	
General government	\$ 47,224
Public safety	42,224
Public works	462,260
Education	22,805
Health and human services	30,578
Culture and recreation	37,851
Water	103,230
Total depreciation expense - governmental activities	<u>\$ 746,172</u>

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

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

Interfund transfers for the fiscal year ended June 30, 2023, are summarized below:

Transfers Out:	Transfers In: Nonmajor Governmental fund
General fund	\$ 5,000

**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:

Asset:	Governmental Activities
Machinery, Equipment and Other	\$ 42,216
Less: Accumulated Depreciation	(35,180)
Total	\$ 7,036

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	Governmental Activities
2024	\$ 8,304
Less: amount representing interest	(466)
Present value of minimum lease payments	\$ 7,838

**G. 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.



**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

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

	<b>Interest Rate</b>	<b>Date Issued</b>	<b>Final Maturity Date</b>	<b>Original Amount Issued</b>	<b>Outstanding June 30, 2023</b>
<b>Inside Debt:</b>					
Highway vehicle	3.60%	8/7/2018	8/2/2023	\$ 240,000	\$ 48,000
Engineering Roads	2.10%	6/23/2021	6/23/2026	329,500	197,500
Total governmental type debt					<u>\$ 245,500</u>

**Future Debt Service**

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2023 are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 114,000	\$ 5,875	\$ 119,875
2025	66,000	2,762	68,762
2026	65,500	1,375	66,875
	<u>\$ 245,500</u>	<u>\$ 10,012</u>	<u>\$ 255,512</u>

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

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

	<b>Balance</b>			<b>Balance</b>	<b>Amounts Due</b>
	<b>July 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2023</b>	<b>within One</b>
					<b>Year</b>
<b>Governmental activities:</b>					
Bonds Payable:					
General obligation bonds	\$ 359,500	\$ -	\$ 114,000	\$ 245,500	\$ 114,000
Lease liability	15,235	-	7,397	7,838	7,838
Compensated absences	214,980	37,603	-	252,583	25,258
Net OPEB liability	2,373,742	-	485,777	1,887,965	-
Net pension liability	3,829,713	822,235	-	4,651,948	-
<b>Governmental activity</b>					
<b>Long-term liabilities</b>	<b>\$ 6,793,170</b>	<b>\$ 859,838</b>	<b>\$ 607,174</b>	<b>\$ 7,045,834</b>	<b>\$ 147,096</b>

**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, 2023 totaled \$245,500.

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, 2023:

Equalized Valuation-Real Estate and Personal Property (2022)		<u>\$ 513,429,200</u>
Debt Limit: 5 % of Equalized value		25,671,460
Total Debt Outstanding	\$ 245,500	
Less: Debt Outside Debt Limit	-	<u>245,500</u>
Inside Debt Excess Borrowing Capacity at June 30, 2023		<u>\$ 25,425,960</u>

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**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, 2023.

**H. Fund Balances**

The following is a summary of the Governmental fund balances at the year ended June 30, 2023:

	<b>General Fund</b>	<b>Major Funds</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Nonspendable:</b>				
Permanent funds	\$ -	\$ -	\$ 296,581	\$ 296,581
<b>Restricted:</b>				
Federal, state and local grants	-	-	180,301	180,301
Town revolving funds	-	-	120,861	120,861
Donations and gifts	-	-	68,600	68,600
Permanent funds	-	-	474,471	474,471
Other	-	-	275,087	275,087
	-	-	1,119,320	1,119,320
<b>Committed:</b>				
Capital projects	-	-	35,420	35,420
Compensated Absences	-	-	90,000	90,000
Water Fund	-	1,291,868	-	1,291,868
	-	1,291,868	125,420	1,417,288
<b>Assigned:</b>				
General government	194,343	-	-	194,343
Public safety	85,518	-	-	85,518
Public works	78,058	-	-	78,058
Subsequent year's budget	519,699	-	-	519,699
	877,618	-	-	877,618
<b>Unassigned:</b>				
General Fund	2,994,019	-	-	2,994,019
<b>Total Governmental fund balances</b>	<b>\$ 3,871,637</b>	<b>\$ 1,291,868</b>	<b>\$ 1,541,321</b>	<b>\$ 6,704,826</b>

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**I. 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, 2023 the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$ 1,225,896
Fire truck stabilization fund	137,261
	<u>\$ 1,363,157</u>

At June 30, 2023, the balance in the water stabilization fund is \$280,770 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, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

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, 2023**

**C. Subsequent Events**

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

**D. Pension Plan**

**Plan Description**

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

**Benefits Provided**

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

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

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

**Contributions**

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% of their gross regular compensation 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, 2022 was \$367,845, representing 29.27% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**Pension Liability**

As of June 30, 2023, the Town reported a liability of \$4,651,948 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. 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, 2022, the Town's proportional percentage was 0.4524%, which was a slight decrease from the last measurement.

**Pension Expense**

For the year ended June 30, 2023, the Town recognized a pension expense of \$482,869; and reported deferred outflows of resources related to pensions of \$612,249 from the net difference between projected and actual investment earnings, the changes in assumptions and the change in allocated proportion; and deferred inflows of resources related to pensions of \$302,945 from the net difference between expected and actual experience 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:

<b>For years ended June 30,</b>	
<b>2024</b>	\$ 26,752
<b>2025</b>	67,490
<b>2026</b>	81,088
<b>2027</b>	141,533
<b>Thereafter:</b>	<u>(7,559)</u>
	<u><u>\$ 309,304</u></u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement that was updated December 31, 2022:

Valuation date	January 1, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Payment increases 4.0% per year, except for Early Retirement Incentive (ERI). Programs for 2002 and 2003 (4.5%) and 2010 (level dollar). Increases in annual appropriation are limited to 9.95%.
Asset valuation method	Is the market value adjusted to phase-in investment gains and losses Over a 5-year period, further constrained to be within 20% of market value. Investment gains and losses are the excess of deficiency of the expected returns over the actual returns.
Inflation	2.40% per year
Salary increases	Group 1: 4.25% -- 6.00%, based on service Group 4: 4.75% -- 7.00%, based on service

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2020. 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-2020.

**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, 2022, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	37%	4.74%
Core Fixed income	15%	2.10%
Value-Added Fixed Income	8%	5.20%
Private Equity	16%	7.60%
Real Estate	10%	3.10%
Timber/Natural Resources	4%	4.40%
Portfolio Completion Strategies	10%	3.90%
Total	<u>100%</u>	

**Rate of Return**

For the year ended December 31, 2022, the annual money-weighted rate of return, net of pension plan investment expense, was (11.68%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. 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 of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**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 7.25%. 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.25%</b>	<b>Discount Rate</b>	<b>8.25%</b>
	<b>6.25%</b>	<b>7.25%</b>	<b>8.25%</b>
Net pension liability	\$ 5,676,630	\$ 4,651,948	\$ 3,785,645

**E. Other Post-Employment Benefits Payable**

**GASB Statement No. 74 and GASB Statement No. 75**

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

**Plan Description**

In addition to providing pension benefits, the Town provided post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. There are approximately 48 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, 2023, investments, concentration and rate of return information consisted of pooled funds in the Town's Bartholomew Commonwealth Financial investments described earlier under Deposits and Investments (refer to note 3A).

**Funding Policy**

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2023 Measurement Date, total Town premiums plus implicit costs for the retiree medical program are \$83,863. The Town has also made a contribution to an OPEB Trust of \$100,000 for a total contribution during the measurement period of \$183,863 to be reported on the financial statement for the fiscal year ending June 30, 2023. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. The trust balance is \$518,960 as of June 30, 2023.



**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**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, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

**Plan Membership:**

Current active members	35
Current retirees, beneficiaries and dependents	13
Total	48

**Net OPEB Liability**

The components of the net OPEB liability are as follows:

	<b>6/30/2023</b>
Total OPEB liability	\$ 2,406,925
Less: Plan fiduciary net position	(518,960)
Town's Net OPEB liability	\$ 1,887,965
Plan fiduciary net position as a percentage of the total OPEB liability	21.6%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2023:

Valuation date	July 1, 2022
Actuarial cost method	Individual Entry Age Normal
Investment rate of return	5.84%, net of OPEB plan investment expenses, including inflation
Single Equivalent Discount rate	5.48%, net of OPEB plan investment expenses, including inflation
Inflation	2.50% annually as of June 30, 2023, and for future periods
Salary increases	3.00% annually as of June 30, 2023, and for future periods

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

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, 2022 actuarial valuation and market value of assets as of the measurement date of June 30, 2023 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Index-SAPIHG as of June 30, 2023 is 4.13%.

**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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return *</b>
Domestic Equity - Large Capital	32.25%	4.10%
Domestic Equity - Small/Mid Capital	16.00%	4.55%
International Equity - Developed Market	13.50%	4.64%
International Equity - Emerging Market	7.00%	5.45%
Domestic Fixed Income	22.50%	1.05%
International Fixed Income	4.25%	0.96%
Alternatives	4.25%	5.95%
Real Estate	0.00%	6.25%
Cash	0.25%	0.00%
Total	<u>100.00%</u>	
I. Real Rate of Return		3.59%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		<u>6.09%</u>
IV. Less Investment Expense		0.25%
V. Net investment Return (III.-IV.)		<u>5.84%</u>

\* = Mean Geometric Returns based on 2022 Horizon Survey of Capital Market Assumptions.

**Rate of Return**

For the year ended June 30, 2023, the annual money-weighted rate of return (which expresses investment performance), net of investment expense is 7.96%.

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 5.48%. 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 2067 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 4.13% as of June 30, 2023.

**Changes in Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2022	\$ 2,763,825	\$ 390,083	\$ 2,373,742
Service cost	95,652	-	95,652
Interest on OPEB Liability	155,560	-	155,560
Changes in benefit terms *	-	-	-
Changes in assumptions **	36,098	-	36,098
Difference between actual and expected experience **	(560,347)	-	(560,347)
Net investment income	-	28,877	(28,877)
Employer contributions to Trust	-	183,863	(183,863)
Total benefit payments including implicit cost	(83,863)	(83,863)	-
Net change in total OPEB liability	(356,900)	128,877	(485,777)
Balances at June 30, 2023	\$ 2,406,925	\$ 518,960	\$ 1,887,965

\* = Recognized immediately

\*\* = Amortized over 6.14 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 (4.48%) or 1-percentage-point higher (6.48%) than the current rate:

	1% Decrease	Current	1% Increase
	4.48%	Discount Rate 5.48%	6.48%
Town's net OPEB liability	\$ 2,273,296	\$ 1,887,965	\$ 1,580,349

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

**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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Town's net OPEB liability	\$ 1,544,096	\$ 1,887,965	\$ 2,321,502

**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, 2023, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$88,288 and reported deferred outflows of resources related to OPEB of \$344,768 from the difference between actual and expected experience, the changes in assumptions and the net difference between projected and actual earnings on OPEB plan investments; and deferred inflows of resources related to OPEB of \$511,250 from the difference between actual and expected experience and the changes in assumptions.

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,	
<b>2024</b>	\$ 44,937
<b>2025</b>	32,542
<b>2026</b>	(58,961)
<b>2027</b>	(87,661)
<b>2028</b>	(85,382)
<b>Thereafter:</b>	(11,957)
	\$ (166,482)

**F. Implementation of New GASB Pronouncements**

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2023**

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.

**G. Future GASB Pronouncements**

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

The GASB issued Statement No. 99, *Omnibus 2023*, clarification on GASB No. 34 Management's Discussion and Analysis; on GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position; requirements related to leases and requirements related to derivative instruments for implementation in fiscal year 2023 and 2024.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB No. 62*, for implementation in fiscal year 2024.

The GASB issued Statement No. 101, *Compensated Absences*, for implementation in fiscal year 2025.

**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, 2023**

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:**

<b>Mesurement Date</b>	<b>Town's proportion of the net pension liability (asset)</b>	<b>Town's proportionate share of the net pension liability (asset)</b>	<b>Town's covered employee payroll</b>	<b>Net pension liability percentage of covered employee payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
12/31/2022	0.4524%	\$ 4,651,948	\$ 1,256,660	370.18%	48.20%
12/31/2021	0.4548%	\$ 3,829,713	\$ 1,374,627	278.60%	56.19%
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, 2023**

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:**

<b>Measurement Date</b>	<b>Actuarially determined contribution</b>	<b>Less: Contributions in relation to the actuarially determined contribution</b>	<b>Contribution deficiency (excess)</b>	<b>Town's covered employee payroll</b>	<b>Contributions percentage of covered employee payroll</b>
12/31/2022	\$ 367,845	\$ (367,845)	\$ -	\$ 1,256,660	29.27%
12/31/2021	\$ 336,330	\$ (336,330)	\$ -	\$ 1,374,627	24.47%
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, 2023**

**Schedule of Changes in the Net OPEB Liability:**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<b>Total OPEB liability</b>				
Service cost	\$ 95,652	\$ 100,002	\$ 67,860	\$ 63,074
Interest on OPEB liability	155,560	143,451	122,438	115,566
Changes in Benefit terms	-	-	-	-
Changes in Assumptions	36,098	(55,754)	504,503	58,133
Difference between actual and expected experience	(560,347)	-	93,647	-
Benefit payments, including refunds of member contributions	(83,863)	(70,318)	(65,307)	(55,804)
Net change in total OPEB liability	(356,900)	117,381	723,141	180,969
Total OPEB liability-beginning	<u>2,763,825</u>	<u>2,646,444</u>	<u>1,923,303</u>	<u>1,742,334</u>
<b>Total OPEB liability-ending (a)</b>	<u>\$ 2,406,925</u>	<u>\$ 2,763,825</u>	<u>\$ 2,646,444</u>	<u>\$ 1,923,303</u>
<b>Plan fiduciary net position</b>				
Net investment income	28,877	(68,376)	81,603	5,197
Employer contributions to Trust	183,863	100,318	135,307	105,804
Benefit payments, including refunds of member contributions	(83,863)	(70,318)	(65,307)	(55,804)
Net change in plan fiduciary net position	128,877	(38,376)	151,603	55,197
Total fiduciary net position-beginning	<u>390,083</u>	<u>428,459</u>	<u>276,856</u>	<u>221,659</u>
<b>Total fiduciary net position-ending (b)</b>	<u>\$ 518,960</u>	<u>\$ 390,083</u>	<u>\$ 428,459</u>	<u>\$ 276,856</u>
<b>Town's net OPEB liability (a-b)</b>	<u>\$ 1,887,965</u>	<u>\$ 2,373,742</u>	<u>\$ 2,217,985</u>	<u>\$ 1,646,447</u>

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, 2023**

**Schedule of Changes in the Net OPEB Liability:**

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

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, 2023**

**Schedule of Net OPEB Liability:**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Total OPEB liability	\$ 2,406,925	\$ 2,763,825	\$ 2,646,444	\$ 1,923,303
Less: Plan fiduciary net position	<u>(518,960)</u>	<u>(390,083)</u>	<u>(428,459)</u>	<u>(276,856)</u>
Town's Net OPEB liability	<u>\$ 1,887,965</u>	<u>\$ 2,373,742</u>	<u>\$ 2,217,985</u>	<u>\$ 1,646,447</u>
Plan fiduciary net position as a percentage of the total OPEB liability	21.56%	14.11%	16.19%	14.39%
Town's share of covered employee payroll	\$ 1,885,102	\$ 1,646,966	\$ 1,598,996	\$ 1,199,353
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	100.15%	144.13%	138.71%	137.28%

**Schedule of Contributions:**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Actuarially determined contribution	\$ 182,654	\$ 209,919	\$ 167,739	\$ 146,149
Less: Contributions in relation to the actuarially determined contribution	<u>(183,863)</u>	<u>(100,318)</u>	<u>(135,307)</u>	<u>(105,804)</u>
Contribution deficiency (excess)	<u>\$ (1,209)</u>	<u>\$ 109,601</u>	<u>\$ 32,432</u>	<u>\$ 40,345</u>
Town's share of covered employee payroll	\$ 1,885,102	\$ 1,646,966	\$ 1,598,996	\$ 1,199,353
Contributions percentage of covered-employee payroll	9.75%	6.09%	8.46%	8.82%
Annual money-weighted rate of return net of investment expense	7.96%	-15.96%	27.67%	2.34%

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, 2023**

**Schedule of Net OPEB Liability:**

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability	\$ 1,742,334	\$ 1,616,249	\$ 1,594,237
Less: Plan fiduciary net position	<u>(221,659)</u>	<u>(151,255)</u>	<u>(100,165)</u>
Town's Net OPEB liability	<u>\$ 1,520,675</u>	<u>\$ 1,464,994</u>	<u>\$ 1,494,072</u>
Plan fiduciary net position as a percentage of the total OPEB liability	12.72%	9.36%	6.28%
Town's share of covered employee payroll	\$ 1,164,240	\$ 1,122,000	\$ 1,100,000
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	130.62%	130.57%	135.82%

**Schedule of Contributions:**

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

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

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**Required Supplementary Information**  
**Other Post Employment Benefit Plan Schedules**  
**For the Year Ended June 30, 2023**

**Schedule of Funding Progress:**

<b>Other Post Employment Benefits</b>						
<b>Measurement Date</b>	<b>Actuarial Fiduciary Net Position (A)</b>	<b>Actuarial Total OPEB Liability (B)</b>	<b>Actuarial Net OPEB Liability (B-A)</b>	<b>Actuarial Funded Ratio (A/B)</b>	<b>Actuarial Covered Payroll (C)</b>	<b>Actuarial Percentage of Covered Payroll ((B-A)/C)</b>
6/30/2023	\$ 518,960	\$ 2,406,925	\$ 1,887,965	21.56%	\$ 1,885,102	100.15%
6/30/2022	\$ 390,083	\$ 2,763,825	\$ 2,373,742	14.11%	\$ 1,646,966	144.13%
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 SCHEDULE**

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
<b>Special Revenue:</b>					
<b>Federal and State Grants:</b>					
Arts Lottery Council Grants	\$ 16,100	\$ 6,000	\$ 3,900	\$ -	\$ 18,200
Council on Aging Grants	41,765	18,541	10,819	-	49,487
Emergency Management Grants (COVID-19)	5,985	-	-	-	5,985
Extended Polling Hours	1,024	2,676	-	-	3,700
Green Community Grants	-	13,014	13,014	-	-
Highway Grants	14,568	505,426	514,127	-	5,867
Information Technology Grant	47,000	-	46,249	-	751
Lake Wickaboag Grant	2,600	-	-	-	2,600
Library Grants	57,309	10,273	2,957	-	64,625
Other Grants and Programs	15,548	20,350	33,750	-	2,148
Public Safety Grants	23,195	13,139	12,644	-	23,690
Smart Growth Grant	4,558	-	-	-	4,558
Veterans Benefits Grant	1,185	-	-	-	1,185
<b>Other:</b>					
Cable Grants	97,797	20,822	-	-	118,619
Cemetery Revolving	34,426	5,300	-	-	39,726
Conservation Funds	16,580	283	-	-	16,863
Curb Cut Escrow	48,405	4,000	5,000	-	47,405
Deputy Collector Fees	35,406	18,431	10,038	-	43,799
Gifts and Donations	77,982	15,845	27,722	-	66,105
Housing and Septic Repair Loan Repayments	17,851	513	-	-	18,364
Insurance Proceeds	33,656	7,366	7,866	-	33,156
Planning Board Revolving	1,164	-	-	-	1,164
Police Off Duty Detail Revolving	7,880	66,916	63,339	-	11,457
Road Machinery Fund	3,683	8,138	7,000	-	4,821
Stewardship Program Revolving	2,840	-	-	-	2,840
Storm Water Revolving	9,603	2,350	716	-	11,237
Town Document Search	411	-	-	-	411
<b>Total Special Revenue Page 63</b>	<b>\$ 618,521</b>	<b>\$ 739,383</b>	<b>\$ 759,141</b>	<b>\$ -</b>	<b>\$ 598,763</b>

**TOWN OF WEST BROOKFIELD, MASSACHUSETTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
<b>Continued from Page 63</b>	\$ 618,521	\$ 739,383	\$ 759,141	\$ -	\$ 598,763
<b>Special Revenue (continued):</b>					
<b>Other (continued):</b>					
Compensated Absences	90,000	-	-	-	90,000
Self Insurance Trust	20,230	772	-	-	21,002
Unemployment Trust	21,907	-	1,936	5,000	24,971
<b>Total Special Revenue</b>	<b>750,658</b>	<b>740,155</b>	<b>761,077</b>	<b>5,000</b>	<b>734,736</b>
<b>Capital Projects:</b>					
Water Line Settlement	17,910	-	1,200	-	16,710
Well on Braintree Road	18,710	-	-	-	18,710
<b>Total Capital Projects Funds</b>	<b>36,620</b>	<b>-</b>	<b>1,200</b>	<b>-</b>	<b>35,420</b>
<b>Perpetual Permanent Funds:</b>					
Cemetery Perpetual Care Funds	186,391	-	-	-	186,391
Library Funds	8,286	-	-	-	8,286
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
<b>Total Perpetual Permanent Funds</b>	<b>\$ 296,581</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 296,581</b>



**TOWN OF WEST BROOKFIELD, MASSACHUSETTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
<b>Permanent Funds:</b>					
Cemetery Perpetual Care Funds	\$ 137,708	\$ 15,818	\$ -	\$ -	\$ 153,526
Library Funds	140,220	19,463	13,671	-	146,012
Quaboag Park/Town Common Funds :					
John G. Shackley Fund	16,514	2,478	-	-	18,992
Helen Paige Shackley Bandstand	6,499	725	221	-	7,003
Helen B. Hawks/Stickney Fund	5,391	622	-	-	6,013
Margaret Preisach Magnante Fund	10,522	1,514	-	-	12,036
Other Trust Funds:					
Priscilla E. Side Fund	5,553	218	-	-	5,771
Common Committee Fund	739	28	-	-	767
Col. Fairfax Ayers Monument Fund	4,261	200	-	-	4,461
Historical Commission Fund	68,217	10,273	15,533	-	62,957
Lucy Stone Birthplace Fund	268	10	-	-	278
Peter Brady Memorial Fund	109	4	-	-	113
Recreation Committee Fund	2,233	85	-	-	2,318
Reynis Town Hall Interior Fund	25,828	986	-	-	26,814
Rice Fountain Trust	26,679	955	111	-	27,523
<b>Total Permanent Funds</b>	<b>450,741</b>	<b>53,379</b>	<b>29,536</b>	<b>-</b>	<b>474,584</b>
<b>Total Non-Major Governmental Funds</b>	<b>\$ 1,534,600</b>	<b>\$ 793,534</b>	<b>\$ 791,813</b>	<b>\$ 5,000</b>	<b>\$ 1,541,321</b>