

TOWN OF WESTMINSTER, MASSACHUSETTS



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

On the cover: Mount Wachusett, the largest mountain in Worcester County. One of the more popular winter tourist destinations in Massachusetts



Above: A sunset view from Mount Wachusett on a splendid Fall day.

TOWN OF WESTMINSTER, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

Stephanie Lahtinen, Town Administrator



Prepared by the Financial Offices

Melinda Horrigan, Treasurer/Collector

Julie Costello, Town Accountant



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**TOWN OF WESTMINSTER, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

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INTRODUCTORY SECTION



Pictured above, on the corner of South and Main is the former Westminister Cracker factory. The original birthplace of the historic Westminister Cracker. Sold and moved to Vermont in 1988, the building still stands and is the current home of a metal finishing company. The Town celebrates the famous cracker each year with a Westminister Cracker celebration in the center of Town.



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Town of Westminster Select Board

Heather M. Billings, Chairperson
Melissa A. Banks, Vice Chairperson
Salvatore J. Albert, Clerk



11 South Street
Westminister, Massachusetts 01473

Telephone (978) 874-7400
Facsimile (978) 874-7462
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Stephanie Lahtinen
Town Administrator

Letter of Transmittal

November 29, 2023

Honorable Select Board and Citizens of the Town of Westminister, Massachusetts:

We are pleased to acknowledge that the Town of Westminister has completed its tenth *Annual Comprehensive Financial Report* (ACFR). The report is for the fiscal year ended June 30, 2023, and it has been prepared by the Town's finance team.

The Town is responsible for the accuracy, completeness and fairness of the data presented in the ACFR. This letter of transmittal and the **management's discussion and analysis**, located in the financial section of the ACFR, provide a comprehensive financial overview of the Town and ensure that the financial and general operations of Town government remain transparent, and therefore open for easy viewing.

The ACFR represents a complete set of financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP), that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This ACFR meets and exceeds those requirements and presents itself as an informative resource for all those interested in the financial activities of the Town.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and rating agencies as well as its citizens and taxpayers.

Since the report consists of management's representations concerning the finances of the Town, management assumes full responsibility for the completeness and reliability of all of the information presented. In addition, management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Westminister's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Town's financial statements have been audited by Roselli, Clark and Associates, a firm of licensed certified public accountants. The goal of the annual independent audit is to provide reasonable assurance that the financial statements of the Town are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement that analysis and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town of Westminster, Massachusetts is located in Worcester County, Massachusetts. It is approximately 25 miles north of the City of Worcester, Massachusetts 50 miles north-west of the City of Boston, Massachusetts and 63 miles north-east of the City of Springfield, Massachusetts. It is bordered by Ashburnham, Gardner, Hubbardston, Princeton, Leominster and Fitchburg. The Town has a total area of 37.3 square miles of which 35.5 square miles is land and 1.8 square miles is water.



Westminster, whose name is derived of the minister in old England, was first settled in 1737 by pioneers from around Boston. The land was intended as compensation for soldiers who had fought in the King Philips War, but none of them wanted to leave the comforts of their homes, so bounties were given for their descendants and others to settle here. The Town was first called Narragansett Number Two in deference to the many Native American tribes who lived in the region. However, as the population grew, it became incorporated in 1759 and assumed its' current name of Westminster.

Westminster was populated mostly by farmers in its early years, but during the industrial revolution, residents began to learn specialized skills, and as a result, industries evolved in Town including sawmills, gristmills, pail factories and chair factories. The tributaries leading to the Nashua River provided an excellent source of power which caused the area to become a bustling industrial center. The leading industry was chair making. However, a decision to not include the railroad in the middle of Town in the mid 1800's caused the industry to die off.

After the Civil War, Westminster residents became the labor force for neighboring industrial cities; this movement was bolstered with the evolution of the trolley. The cross travelling led to the creation of Wachusett Park, a major recreational facility. In the 1950's the Town became the home to many large businesses, including Digital Equipment Corporation, Simplex Time Recorder, W.E. Aubuchon and many others.

Despite this, Westminster has maintained its' rural character and is the home of many state forests, including the Wachusett Mountain State Reservation home of the tallest mountain in Worcester County. The mountain includes a ski lodge, which is the most active in Massachusetts. Hundreds of thousands of people visit the mountain annually for downhill and cross-country skiing and other winter sports.

In 2016, the Massachusetts Bay Transportation Authority completed a commuter rail stop which is named the Wachusett Station. This provides commuters with much needed rail transportation that has not existed in the area for over 50 years. The station is located about a mile outside of Westminster, in Fitchburg, Massachusetts; and opened on schedule in November 2016. It connects an estimated 400 daily commuters with North Station in Boston.



Airline travel is available through

Worcester Regional Airport, located about 25 miles south of Westminster in Worcester; and Logan International Airport located 50 miles south-east of Westminster in Boston. Both airports are owned and operated by the Massachusetts Port Authority, an agency of the Commonwealth of Massachusetts.



The Town is also in close proximity to route 2, 190, 290, 495 and the Massachusetts Turnpike which makes the Town easily accessible by vehicle.

The Town operates under the Select Board, Town Administrator and open Town Meeting form of government. The three elected Select Board members make policy decisions, and the Town Administrator is responsible for carrying out and enforcing the policies of the Select Board and for managing the day-to-day operations of the Town.

An annual operating budget is approved by Town Meeting in May. This annual budget serves as the foundation for the Town's financial planning and control. The budget is prepared by fund, function (e.g. general government), department (e.g. finance) and category (e.g. Personnel Services, Purchase of Services, Supplies, Other Charges & Expenses) allowing the department heads to allocate resources within the department. Transfers between categories need approval from Town Meeting unless specifically exempted by state statute.

The Town offers a full range of traditional municipal services including police and fire protection, education (through regional school districts), maintenance of streets and sidewalks, Council on Aging, library, cemetery, parks and recreational facilities. One of the more popular recreational attractions is the Crocker Pond recreation area, which includes a beach for family fun in addition to many fishing locations for the outdoorsman.



Factors Affecting Economic Condition

Industry Manufacturing represents 21.5% of the Town's private employment and thus is an important component of the Town's economy. Major manufacturers include Tyco, TRW, and Ranor Inc., who represent 3 of the larger taxpayers and account for 40% of the jobs in the Town.

The remainder of the Town's employment base is well diversified with none of the other 7 major industry types representing more than 10% of the Town's overall employment.

Property Taxes The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden through a ballot vote by the voters. While revenue increases have been limited in recent years, fixed costs, including health insurance and pension costs, have increased more proportionally.

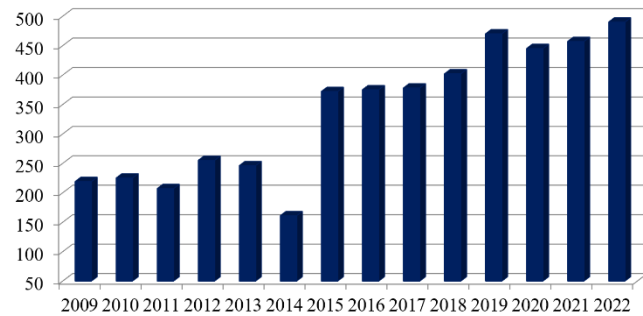
As a result, balancing the annual budget can be a challenge. Given its geographical location the Town does not have a large commercial and industrial property tax-base, so it relies heavily on residential property taxes.

Approximately 87% of the Town's property taxes are derived from residential taxes therefore new growth is essential to revenue growth and the ability to sustain the Town's annual costs.

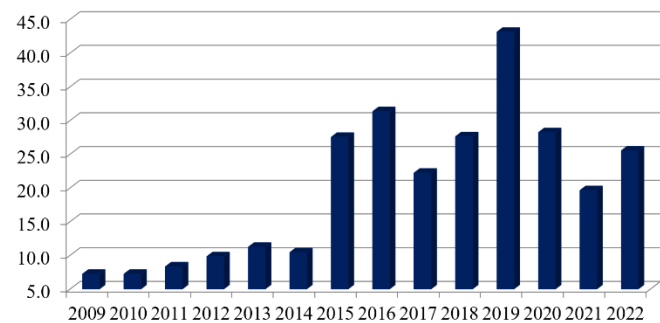
The following table summarizes the Town's permit activity and related impact on equalized valuation and new growth over the past 14 years:

Calendar Year	# of Permits	Equalized Value
2022	490	\$ 25,476,519
2021	457	19,590,495
2020	445	28,219,245
2019	470	43,073,836
2018	402	27,624,047
2017	378	22,220,680
2016	375	31,261,625
2015	372	27,446,297
2014	161	10,382,090
2013	246	11,178,208
2012	255	9,780,137
2011	207	8,284,855
2010	225	7,201,304
2009	219	7,248,927
Total	4,702	278,988,265

Number of Permits – Calendar Year



EQV Impact – Calendar Year



Growth has been much stronger than expected with over \$278.9 million dollars added to the Town's equalized valuation (market value) during this period. This represents almost \$4 million in taxes for the Town annually. Calendar 2022 continued this trend with over 490 permits and almost \$25.5 million in new growth. A strong equalized valuation is important to the stakeholders in the Town's securities thus the Town is encouraged by this positive trend.

In early 2017, the Town used funding from the Governor's Community Compact program to hire Northeastern University's Dukakis Center to lead the Town through an economic development self-assessment. The Center evaluated the Town's strengths and weaknesses as they relate to economic development and compared Westminster to over 100 other MA communities that had gone through this exercise. The Center determined that Westminster is well ahead of the curve in terms of economic development and should be poised for significant new growth once it addresses its sewer capacity issue. On this note, the Town installed an in-line sewer storage system in December 2018 using funds from the USDA Rural Development Program and the sewer moratorium has been lifted, opening the way for new growth in future years.

In addition, the Town has entered into a contract with RCI Fitchburg, Inc. for solid waste disposal, recycling, and composting services related to the Town's landfill that is owned by the City of Fitchburg. Since Westminster is the host to the landfill, the Town is entitled, per the agreement, to receive an annual host fee. The annual host payments received for each of the past 17 years is illustrated in the table to the right.

The Town's strong growth as summarized previously, together with the revenues received from the host agreement with RCI Fitchburg, Inc. has allowed the Town's taxpayers the continued benefit of reduced property taxes through a large excess levy capacity. In fact, the taxpayers benefited from a weighted average 8.25% real estate tax

Fiscal Year	Host Revenue
2023	\$ 2,081,655
2022	2,456,214
2021	2,803,415
2020	2,899,808
2019	3,310,339
2018	3,434,610
2017	3,450,019
2016	2,895,212
2015	1,811,675
2014	1,018,307
2013	1,210,651
2012	1,883,943
2011	1,111,446
2010	1,496,241
2009	1,606,041
2008	2,032,961
2007	2,759,277
Total	\$ 38,261,814

savings over the past 15 years resulting in total savings of over \$22.1 million. “This is expected to continue into 2024.”

This is illustrated in the table below:

Fiscal Year	Levy Limit	Levy	Excess Levy Capacity	Tax savings
2023	\$ 23,298,968	\$ 19,330,259	\$ 3,968,709	17.03%
2022	21,673,199	19,665,247	2,007,952	9.26%
2021	21,550,937	19,149,488	2,401,449	11.14%
2020	20,758,792	18,420,750	2,338,042	11.26%
2019	20,182,791	17,813,714	2,369,077	11.74%
2018	19,371,787	17,543,852	1,827,935	9.44%
2017	18,141,613	16,611,894	1,529,719	8.43%
2016	17,183,221	16,237,979	945,242	5.50%
2015	16,327,357	15,787,240	540,117	3.31%
2014	16,185,118	15,575,281	609,837	3.77%
2013	15,598,464	15,075,655	522,809	3.35%
2012	15,145,838	14,442,097	703,741	4.65%
2011	14,665,805	13,740,204	925,601	6.31%
2010	14,324,083	13,332,626	991,457	6.92%
2009	13,776,212	13,332,795	443,417	3.22%
Totals	\$ 268,184,185	\$ 246,059,081	\$ 22,125,104	8.25%

Economic Development

Master Plan

Westminster desires a robust and diverse local economy that provides tax revenues for the town and living wage jobs for local residents in a business-friendly environment, with a timely and predictable permitting system and a municipal infrastructure capable of supporting new and expanding businesses and industries. In that regard, one of the Town’s largest concerns is the impact the eventual closing of the landfill will have on the Town’s revenues as a result of the elimination of the land host fees discussed above. In order to address this concern, the Town’s Master Plan Committee, headed by the Town Planner, set out to create a plan titled the “2014 Master Plan” (the Plan). The objective of the Plan was to address the impact of the potential lost revenue and identify opportunities for economic development that would provide sufficient property taxes to replace such funds.

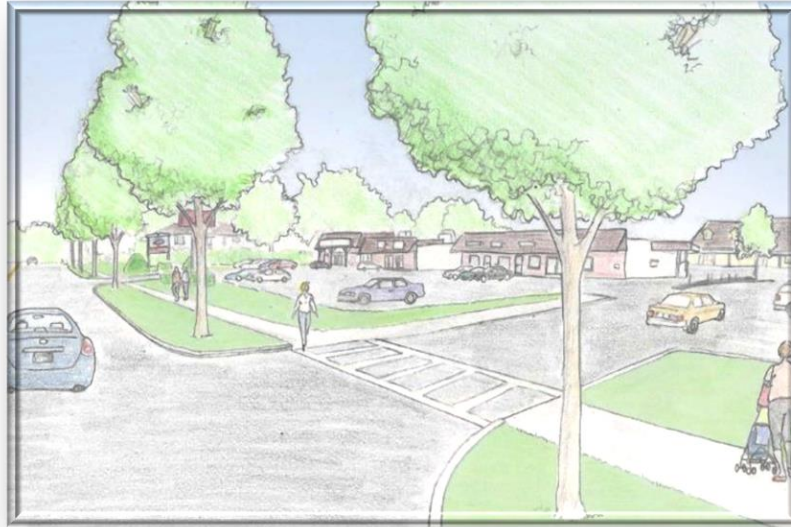
The Plan was developed between 2012 and 2014; distributed for public comment in May 2014 and accepted by Special Town Meeting in November 2014.

In summary, the study concluded that the economic development opportunities were identified as attractive for development based upon the following characteristics:

1. Location,
2. Easily accessible Town Center,
3. Large industrial zones available for development,
4. Bio ready “gold” rating received from the Massachusetts Biotechnology Council,

5. Priority development sites and streamlined permitting,
6. Technical review board,
7. Eco-tourism opportunities,
8. Right to farm by law.

The Town has also conducted a study on the numerous improvements that may be made to the Town Center to attract new businesses. This study was completed in August 2014.



The obstacles to new economic development that would need to be overcome were also summarized in the plan as follows:

1. Spending and taxes,
2. Lack of wastewater capacity,
3. Lack of marketing,
4. Lack of Town center zoning,
5. Lack of Town center parking,
6. Lack of specialized local technical workforce.

Proposed solutions to overcome these obstacles were summarized in the Plan as follows:

1. Massachusetts Economic Development Incentive Program (EDIP) was created by the legislature to stimulate job creation in distressed areas; the charge of the EDIP was to designate Economic Opportunity Areas (EOA) within Economic Target Areas (ETA). In 1995 the Town was designated an EOA with 3 designated ETAs; Simplex Drive, Westminster Business Park, and the Business Park at Westminster,
2. Tax increment financing,
3. MassDevelopment,
4. State Streamlined Permitting Program,
5. Comprehensive Economic Development Strategy,
6. Regional Chambers of Commerce,
7. Johnny Appleseed Trail Association.

Update

Recently, the Planning Board completed four zoning amendments recommended by the Master Plan; these include:

1. A revision to the Zoning Bylaws Table of Uses,
2. A revision to the Table of Dimensional Requirements,
3. A revision to the Definitions section, and
4. A Village Center zoning bylaw that encompasses the Town Center.

Westminster Senior Housing Project

Working with the Massachusetts Housing Partnership (MHP), the Town has selected Commonwealth Community Developers (CCD) to design, construct and manage 50 affordable senior apartments behind the Senior Center at 68 West Main Street.



The Town finalized a grant award in fiscal 2022 before breaking ground and beginning construction. Citizens interested in renting these units must meet eligibility guidelines. In order to qualify as being “affordable”, the units can only be rented to these households that meet the income limit restrictions as defined by the State. The Town anticipates groundbreaking in the late Fall of 2023 and expects construction to take about 15 to 18 months. A waiting list has been created.

Other Economic Related Initiatives

- The Town updated its Housing Production Plan which was subsequently approved by the Massachusetts Department of Housing and Community Development (DHCD).
- The Town completed its first ever ADA Self-Assessment and Transition Plan. This allowed the Town to gain compliance with the Americans with Disabilities Act.
- Shortly after, the Town received an ADA project grant from the Massachusetts Office on Disabilities which was used to make ADA related improvements to the Library and Crocker Pond recreation area. The Town recently applied for a second project grant for the basketball court and senior center.
- The Town updated its Open Space and Recreation Plan and it received State approval in May, 2022. The Town revitalized its Open Space Committee to implement the Plan's recommendations.
- In 2018, the Town received a Site Readiness grant from Mass Development to evaluate infrastructure needs of its two primary industrial districts in anticipation of future expansion.

- The Planning Board gave site plan approval for a 360,000 sq. foot warehouse in the Simplex Drive industrial district and is currently reviewing a plan for 600,000 sq. foot warehouse in the Westminster Business Park industrial district.
- In 2020, the Westminster Economic Development Committee updated the Town's promotional brochure and instituted a wayfaring signage program.

Unassigned Fund Balances One of the methods the Town uses to maintain reserves from year to year is to conservatively forecast revenues. This allows the Town to use free cash (surplus) for reserves, capital projects or other non-operating one-time expenses. Since the Town has a significant level of excess levy capacity as previously discussed, the challenge of conservatively forecasting revenue is diminished and as a result, the Town has been able to maintain and/or increase reserves from year to year. The following illustrates the Town's unassigned fund balance trend for the last 12 years.

Unassigned Fund Balances (Millions \$)



Long-term Financial Planning

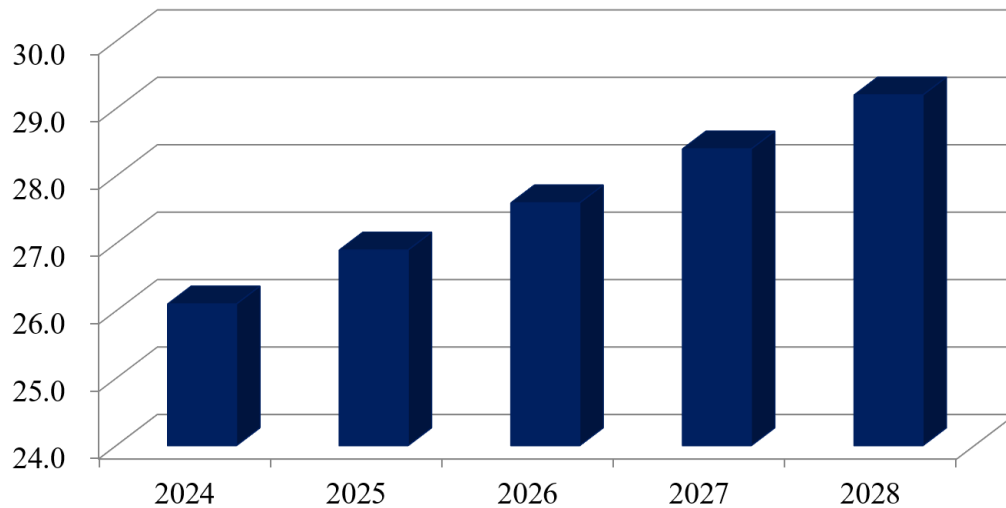
The Town prepares rolling five-year operating budget projections. The Town believes this will (1) provide better insight when preparing annual budgets; (2) alert the Town to any potential budget issues far ahead of when these situations become real; and (3) allow the Town to determine when available financing for its capital needs can be provided or if a need for borrowing to finance projects is required.

The following represents the Town's five-year revenue projection; real and personal property tax projections do not include debt exclusions:

	2024	2025	2026	2027	2028
Real and personal property	\$ 19,967,265	\$ 20,620,197	\$ 21,289,452	\$ 21,975,438	\$ 22,678,574
Local aid (governmental)	1,160,000	1,160,000	1,160,000	1,160,000	1,160,000
Local receipts	4,600,000	4,692,000	4,785,840	4,881,557	4,979,188
Indirect costs	400,000	400,000	400,000	400,000	400,000
Total sources	\$ 26,127,265	\$ 26,872,197	\$ 27,635,292	\$ 28,416,995	\$ 29,217,762

The Town projects revenues for budgetary purposes in a conservative manner, and typically does not tax to its levy limit, therefore the Town expects that annual budget sources as forecasted will be sufficient to fund annual appropriations.

Forecasted revenues in millions \$



Capital Improvements

The Town continues to invest in capital as needed. In the last decade, the Town has invested over \$20 million in improving facilities and adding infrastructure. The following were key capital initiatives:

- New Town Hall on South Street over \$5.0 million.
- Additions to the Library \$2.0 million.
- New Senior Center \$2.5 million.
- Improvements to the municipal water infrastructure; almost \$1.0 million.
- Fire apparatus and ambulances over \$1.0 million.
- Police apparatus and vehicles \$0.8 million.
- Public Works apparatus over \$1.6 million.
- Improvements to roads, sidewalks, curbs and catch basins; \$4.3 million of which, most was funded through the State Chapter 90 Program.
- Open space acquisitions almost \$1.0 million.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. This is a very prestigious award and in order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The GFOA awarded this Certificate of Achievement for Excellence in Financial Reporting to the Town of Westminster for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the ninth year that the Town has achieved this prestigious award.

We believe that our current annual comprehensive financial report will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for this certificate.

The publication of this ACFR represents an important achievement in the ability of the Town of Westminster to provide enhanced financial information and accountability to its citizens, elected and appointed officials, and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the entire finance team. Special thanks also go to the certified public accounting firm of Roselli, Clark and Associates for their advice and assistance in the preparation of this report.

Respectfully submitted,



Stephanie Lahtinen, Town Administrator



Melinda Horrigan, Town Treasurer



Julie Costello, Town Accountant



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Westminister
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Westminster Voters



PRINCIPAL TOWN OFFICIALS
As of June 30, 2023

Elected Officials

Select Board	Heather M. Billings, Chairperson Melissa A. Banks, Vice Chairperson Salvatore J. Albert, Clerk
Town Clerk Town Moderator	Ellen M. Sheehan Dana N. Altobelli

Key Principal Officers

Town Administrator	Stephanie Lahtinen
Town Treasurer/Collector	Melinda Horrigan
Town Accountant	Julie Costello
Town Assessor	Robin Holm
Advisory Board	Lisa Rocheleau, Chairperson Erin Casali, Vice Chairperson/Clerk John Fairbanks Peter Normandin David Libby

FINANCIAL SECTION



Above, a decorated Fall scene in Westminister.



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INDEPENDENT AUDITOR'S REPORT

Honorable Select Board
Town of Westminster, Massachusetts

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westminster, Massachusetts, (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Town as of June 30, 2023, and the respective changes in financial position and cash flows thereof 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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's 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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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's 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's 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 and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Roselli Clark & Associates

Roselli, Clark & Associates
Certified Public Accountants
Woburn, MA
November 29, 2023



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Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the Town, we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023.

Financial Highlights

- The assets and deferred outflows of financial resources for the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$67.0 million (*total net position*).
- The government's total net position increased by over \$0.5 million over the prior year. This increase was almost entirely related to governmental activities' net position as business-type activities' net position was mainly flat as compared to prior year.
- The Town's unassigned fund balance reported in the General Fund was over \$24.8 million (about 97.8% of General Fund expenditures). Total Fund Balance in the General Fund was over \$26.8 million (about 105.6% of General Fund expenditures).
- The Town's total debt decreased by nearly \$0.3 million during the fiscal year. This decrease was due to regular scheduled maturities.

Overview of the Financial Statements

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

Government-wide Financial Statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

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

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

The government-wide financial statements consist of two classifications; (1) those whose activities are principally supported by taxes and intergovernmental revenue (*governmental activities*); and (2) those whose activities are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The Town's governmental activities consist of:

1. General government
2. Public safety
3. Education
4. Public works
5. Health and human services
6. Culture and recreation and,
7. Interest expense.

The Town's business-type activities consist of:

1. Water and
2. Sewer;

Fund Financial Statements - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The Town maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Transfer Station, Capital Projects, ARPA Grant and Chapter 90 Road Improvements which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these Nonmajor governmental funds is provided in the form of combining statements.

The Town adopts an annual appropriated budget for its general fund and its enterprise funds. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule is presented as required supplementary information after the footnotes in this report.

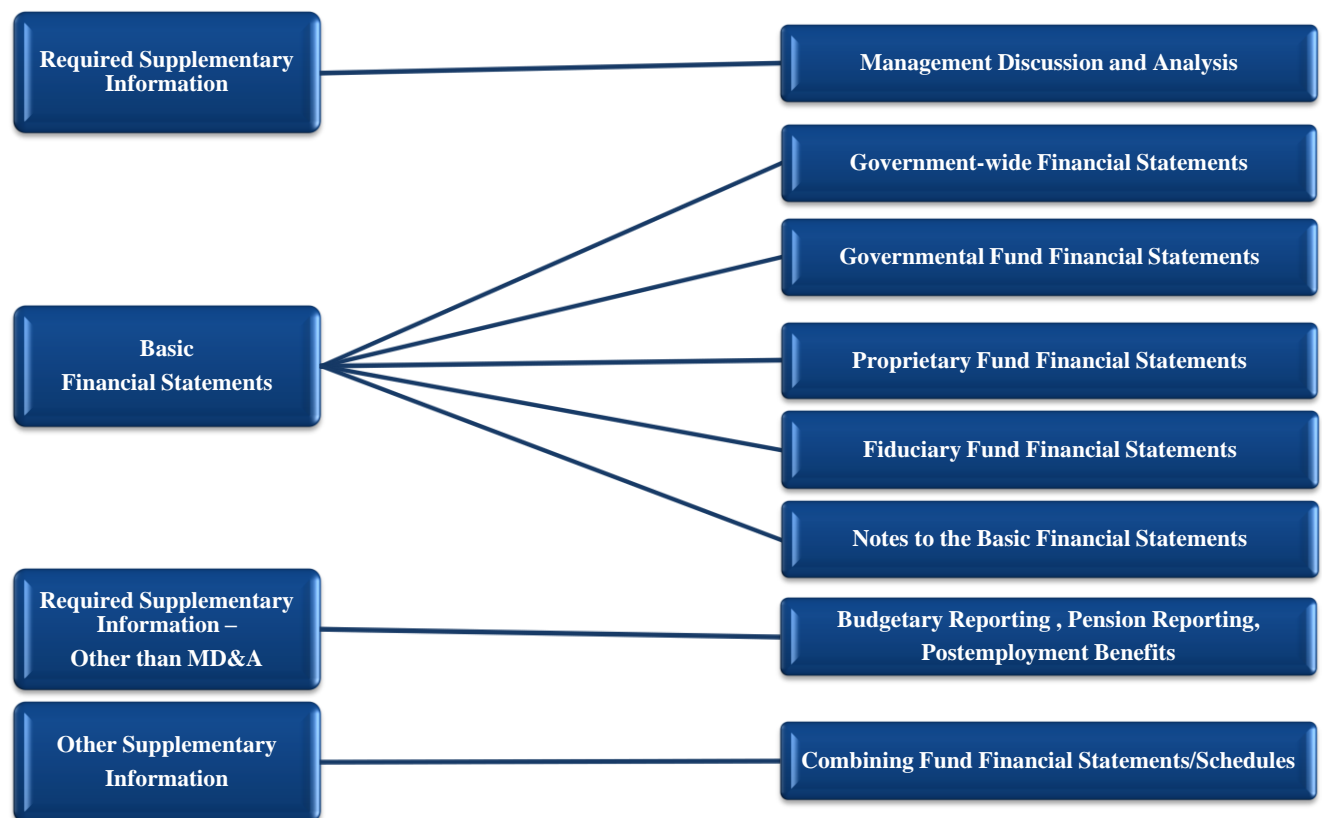
Proprietary funds – The Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for all the business-type activities previously discussed.

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 statement because the resources of those funds are not available to support the Town’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

The layout and relationship of the financial statements and supplementary information is visually illustrated as follows:



Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town, assets and deferred outflows of financial resources exceeded liabilities and deferred inflows of financial resources by approximately \$67.0 million at the close of the most recent fiscal year.

The condensed Statement of Net Position is as follows:

	Governmental Activities		Business-type Activities		Total	
	June 30		June 30		June 30	
	2023	2022	2023	2022	2023	2022
<u>Assets</u>						
Current and other assets	\$ 34,479,004	\$ 34,023,678	\$ 4,670,142	\$ 5,889,664	\$ 39,149,146	\$ 39,913,342
Capital assets, net	46,891,450	46,496,729	9,800,299	8,911,444	56,691,749	55,408,173
Total assets	81,370,454	80,520,407	14,470,441	14,801,108	95,840,895	95,321,515
Deferred outflows of resources	2,053,260	1,535,856	137,948	94,288	2,191,208	1,630,144
<u>Liabilities</u>						
Long-term liabilities	21,729,627	19,236,133	3,013,772	2,880,536	24,743,399	22,116,669
Other liabilities	2,101,358	2,094,176	2,064,841	2,175,764	4,166,199	4,269,940
Total liabilities	23,830,985	21,330,309	5,078,613	5,056,300	28,909,598	26,386,609
Deferred inflows of resources	2,016,321	3,892,982	103,472	225,512	2,119,793	4,118,494
<u>Net position</u>						
Net investment in capital assets	45,146,373	44,599,652	6,468,627	6,804,591	51,615,000	51,404,243
Restricted	4,705,411	5,152,705	-	-	4,705,411	5,152,705
Unrestricted	7,724,624	7,080,615	2,957,677	2,808,993	10,682,301	9,889,608
Total net position	\$ 57,576,408	\$ 56,832,972	\$ 9,426,304	\$ 9,613,584	\$ 67,002,712	\$ 66,446,556

By far, the largest portion (about \$51.6 million) of the Town's net position reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, approximately \$4.7 million of the Town's net position represents resources that are subject to external restrictions on how they may be used. The final portion, almost \$10.7 million is unrestricted and consists of nearly \$7.8 million in the governmental funds and nearly \$3.0 million in business-type funds.

- Positive operations in the General Fund led to modest increase in total assets. More specifically, a direct impact on cash was experienced.
- Deferred outflows of financial resources, and deferred inflows of financial resources fluctuated as a direct result of fluctuations in the actuarial valuations of the County Pension system and Other Postemployment benefit activity, and the correlative impact resulting from GASB 68 and GASB 75 calculations.
- Long-term liabilities increased over the prior year. This was primarily a result of the reduction in plan net assets associated with the net pension liability. This led to an increase in the Town's net pension liability.

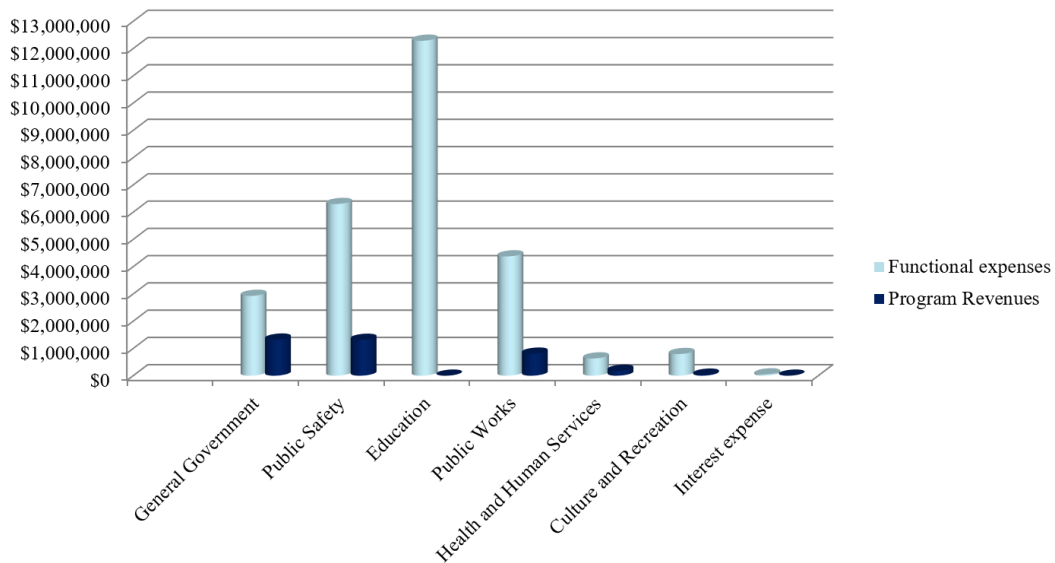
Condensed changes in net position data is presented as follows:

	Governmental Activities		Business-type Activities		Total	
	June 30		June 30		June 30	
	2023	2022	2023	2022	2023	2022
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 1,809,203	\$ 1,509,433	\$ 2,246,916	\$ 2,343,573	\$ 4,056,119	\$ 3,853,006
Operating grants and contributions	1,149,314	1,193,532	-	-	1,149,314	1,193,532
Capital grants and contributions	701,528	872,104	-	-	701,528	872,104
General revenues:						
Property taxes	19,215,938	19,744,821	-	-	19,215,938	19,744,821
Intergovernmental	978,151	890,733	-	363	978,151	891,096
Other	4,338,482	3,802,317	32,839	6,116	4,371,321	3,808,433
Total revenues	28,192,616	28,012,940	2,279,755	2,350,052	30,472,371	30,362,992
<u>Expenses</u>						
General government	2,927,242	2,594,251	-	-	2,927,242	2,594,251
Public safety	6,297,271	5,535,557	-	-	6,297,271	5,535,557
Education	12,285,872	12,213,857	-	-	12,285,872	12,213,857
Public works	4,376,014	4,132,530	-	-	4,376,014	4,132,530
Health and human services	632,089	572,129	-	-	632,089	572,129
Culture and recreation	794,056	758,055	-	-	794,056	758,055
Interest expense	45,668	48,596	-	-	45,668	48,596
Water	-	-	1,061,128	905,313	1,061,128	905,313
Sewer	-	-	1,496,875	1,549,508	1,496,875	1,549,508
Total expenses	27,358,212	25,854,975	2,558,003	2,454,821	29,916,215	28,309,796
Change in net position before transfers	834,404	2,157,965	(278,248)	(104,769)	556,156	2,053,196
<u>Transfers</u>	(90,968)	(93,459)	90,968	93,459	-	-
Change in net position	743,436	2,064,506	(187,280)	(11,310)	556,156	2,053,196
Net position, beginning of year	56,832,972	54,768,466	9,613,584	9,624,894	66,446,556	64,393,360
Net position, end of year	<u>\$ 57,576,408</u>	<u>\$ 56,832,972</u>	<u>\$ 9,426,304</u>	<u>\$ 9,613,584</u>	<u>\$ 67,002,712</u>	<u>\$ 66,446,556</u>

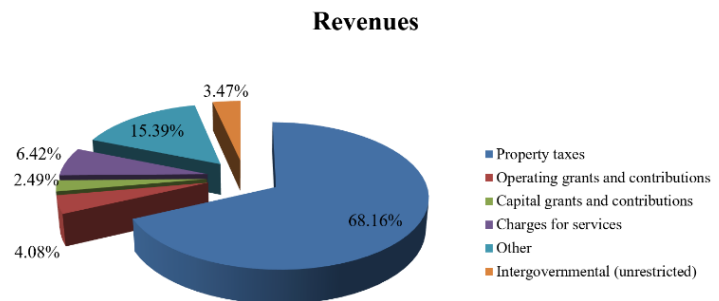
Governmental Activities – The governmental activities experienced a net increase in net position of over \$0.7 million. This was consistent with expectations as positive statutory results continued for the Town benefitting from robust economic conditions that continued despite the pandemic.

Net position of the business-type activities was relatively flat as revenue and expenses were consistent with each other and the prior year amounts. There were no major fluctuations in the operating activity of the Business-type activities from year to year.

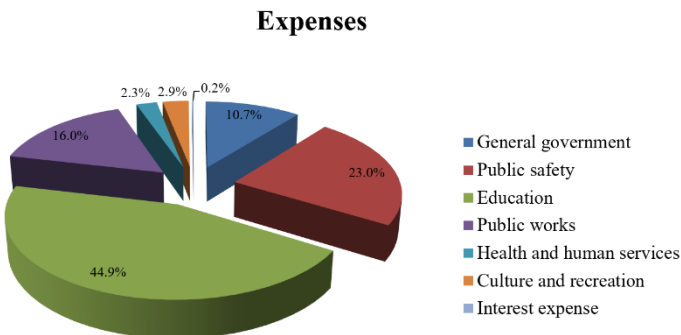
Fiscal Year 2023 Expenses and Program Revenues – governmental activities are graphically presented as follows:



Major revenue sources of governmental activities consist of revenue from; Property taxes which represented approximately 68.2% of total revenues. This was slightly less in both percent and dollar amount than the prior year and was due primarily to the Town assessing lower taxes to rely on other sources of revenue. Other revenue consists of motor vehicle excise, landfill host fees, investment income and other local receipts which represented 15.4% of total revenues. The large increase over the prior year was primarily related to investment income which was approximately \$0.9 million greater than the prior year. This was due to improving investment conditions. No other specific revenue sources exceeded 10% of total revenues in either fiscal 2023 or 2022 and all other revenues were consistent with expectations.



Educational expenses continues to be an area in which the Town devotes substantial resources. These costs represented the largest expense category for the Town as approximately 44.9% of total disbursements related to education. This was consistent both in percentage and amount with the prior year.



The Town is a member of two regional school districts and annual assessments from these school districts represent all of the Town's educational costs. In addition, the Town is required under State law to fund minimum net school spending costs.

Public Safety expenses represented 23.0% of total expenses and Public Works expenses represented about 16% of total expenses. Both were consistent with the prior year in percentage and slight increases in

amounts were consistent with the majority of all functional expenses due to cost-of-living increases. The Town operates with much consistency from year to year as is reflected in the results.

No other specific functional expenses represented greater than 10.0% of total expenses in either fiscal 2023 or 2022, or had significant fluctuations.

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

As of the close of the current fiscal year, the Town's governmental funds balance sheet reported a combined ending fund balance of over \$31.6 million, an increase of nearly \$0.5 million over the prior year.

This modest increase is consistent with the Town's consistent operations across all funds from year to year.

The Town's unassigned fund balance reported in the General Fund was over \$24.8 million (about 97.8% of General Fund expenditures). Total Fund Balance in the General Fund was over \$26.8 million (about 105.6% of General Fund expenditures).

Combined Nonmajor Fund Balances of nearly \$2.7 million were classified as either (1) non-spendable, due to existing as the corpus of an endowment in the amount of \$0.3 million; and (2) restricted due to constraints placed externally by third-parties in the amount of approximately \$2.4 million. These decreased slightly over the prior year due to timing of revenues and expenditures.

The Transfer Station major fund maintained a restricted fund balance of over \$2.3 million and the Town Capital Project fund carried a deficit of about \$0.2 million categorized as unassigned. In addition, the Town set up a major fund for ARPA, which is a Federal stimulus program for States, Counties, Cities and Towns. The Town net revenues over expenditures in this fund of over \$0.9 million has been categorized as unearned revenue. The final major fund is the Town's Chapter 90 Road Improvement Fund which carries a restricted fund balance of about \$14 thousand. Revenues and expenditures in each of these funds is consistent with the prior year and in accordance with the Town's consistent forecasts.

Proprietary funds – The Town's proprietary funds are made up of the same type of information found in the government-wide financial statements under business-type activities, but in more detail. Both Water and Sewer experienced combined flat operations.

Fiduciary Fund – The Town's fiduciary fund is comprised of the Town's Private Purpose Trust Funds, and the OPEB Trust Fund. Total fiduciary fund balance is almost \$0.7 million which is consistent with the prior year as earnings from investments were slightly greater than expenses.

General Fund Budgetary Highlights

Differences between the original budget and the final amended were not significant (well under 1%).

The Town realized favorable variances in Landfill Host revenues. While these were less than the prior year, they far exceeded forecast.

Expenditures were less than budget. Approximately \$1.9 million spread across all categories was realized with Education being a large beneficiary due to lower than anticipated costs.

Further detail of budget to actual comparisons may be reviewed as part of the Required Supplementary Information following the footnotes to the report.

Capital Asset and Debt Administration

Capital Assets – The Town’s investment in capital assets for its governmental and business type activities as of June 30, 2023 approximated \$56.7 million (net of accumulated depreciation). This was \$1.3 million greater than the prior year as current year additions exceeded depreciation. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery, equipment, and software.

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

Long-term Debt – At the end of the current fiscal year, the Town had total debt outstanding of approximately \$3.3 million, a decrease of approximately \$0.3 million over the prior year. This was due entirely to regular scheduled maturities. The entire amount comprises debt backed by the full faith and credit of the government.

The Town’s most recent credit evaluation resulted in an “AA+” rating from Standard and Poor’s Investment Services for general obligation debt and the Town continues to maintain this rating.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5.0 % of its total assessed valuation. The current debt limitation for the Town is approximately \$66.5 million, which is significantly in excess of the Town’s outstanding general obligation debt classified as inside the debt limit.

Bond anticipation notes payable balances outstanding at year-end are approximately \$2.1 million. These were issued for land purchase, fire apparatus, septic management, and water infrastructure.

Additional information on the Town’s short-term and long-term debt can be found in Note II under subsections E, and F.

Economic Factors and Next Year’s Budgets and Rates

- The Town’s property tax base is made up predominantly of residential taxes, which typically approach 89% of the entire levy. The Town also relies to a lesser degree on its commercial, industrial and personal property real estate tax base which comprise the remainder of the levy. This is anticipated to remain relatively consistent for the foreseeable future. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the Town’s ability to increase taxes in any one year by more than 2 ½% of the previous year tax levy.
- The Town anticipates state aid for 2024 to remain consistent or slightly greater than the prior year.

- In March 2021, the Federal Government passed the American Plan Rescue Act (ARPA) which provides stimulus payments to State and local government. The Town is expected to receive almost \$2.4 million from this program. The grant proceeds are required to be obligated by December 31, 2024 and spent by December 31, 2026. The Town has received over \$0.9 million that it has yet to spend and will be available in fiscal year 2024 and beyond.
- The Town's housing market has been very strong for the past several years. This has been bolstered by mortgage rates at historic lows. Current actions by the Federal Open Market Committee to soften the economy due to inflation have caused mortgage rates to spike during fiscal year 2023. Such trends may have an adverse effect on the housing market.
- Inflation is peaking near 40-year historic highs. This is having adverse impacts on the labor market as employers cannot guarantee employee retention without increasing wages. In addition, the cost of energy has been increasing, while price inflation has escalated the cost of goods and services. Lastly, the construction building index is nearing historic highs which may cause the estimates of major capital projects to increase, in addition to the financing costs of these projects. The Town continues to monitor this situation closely and believes it has sufficient reserves to address this issue.
- All of the above items were considered when the Town developed its budget for fiscal year 2024. The budget was adopted in May 2023 and the Town expects to set its tax rate in December 2023.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Treasurer, 11 South Street, Westminster, Massachusetts 01473.

Basic Financial Statements

TOWN OF WESTMINSTER, MASSACHUSETTS

**STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 12,316,555	\$ 3,991,584	\$ 16,308,139
Investments	20,766,726	-	20,766,726
Receivables (net of allowance for doubtful accounts):			
Property taxes	176,366	-	176,366
User fees	-	678,558	678,558
Tax liens	164,267	-	164,267
Betterments	111,539	-	111,539
Departmental and other	870,638	-	870,638
Intergovernmental	72,913	-	72,913
Capital assets, not being depreciated	10,397,952	-	10,397,952
Capital assets, net of accumulated depreciation	36,493,498	9,800,299	46,293,797
Total Assets	81,370,454	14,470,441	95,840,895
Deferred Outflows of Resources			
Related to net other postemployment benefits liability	307,473	12,812	320,285
Related to net pension liability	1,745,787	125,136	1,870,923
Total Deferred Outflows of Resources	2,053,260	137,948	2,191,208
Liabilities			
Warrants and accounts payable	647,128	151,985	799,113
Accrued payroll and withholdings	40,142	-	40,142
Unearned revenue	937,275	-	937,275
Deposits	261,120	-	261,120
Other liabilities	13,693	-	13,693
Bond anticipation notes	202,000	1,912,856	2,114,856
Noncurrent liabilities:			
Due within one year	330,196	55,622	385,818
Due in more than one year	21,399,431	2,958,150	24,357,581
Total Liabilities	23,830,985	5,078,613	28,909,598
Deferred Inflows of Resources			
Related to net other postemployment benefits liability	1,367,965	57,000	1,424,965
Related to net pension liability	648,356	46,472	694,828
Total Deferred Inflows of Resources	2,016,321	103,472	2,119,793
Net Position			
Net investment in capital assets	45,146,373	6,468,627	51,615,000
Restricted:			
Perpetual permanent funds	339,600	-	339,600
Expendable permanent funds	134,190	-	134,190
Ambulance	1,623,321	-	1,623,321
Transfer station	2,322,745	-	2,322,745
Grants and donations	264,245	-	264,245
Other purposes	21,310	-	21,310
Unrestricted	7,724,624	2,957,677	10,682,301
Total Net Position	\$ 57,576,408	\$ 9,426,304	\$ 67,002,712

See accompanying notes to basic financial statements.

TOWN OF WESTMINSTER, MASSACHUSETTS

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,927,242	\$ 374,040	\$ 947,622	\$ -	\$ (1,605,580)		\$ (1,605,580)
Public safety	6,297,271	1,278,672	36,055	-	(4,982,544)		(4,982,544)
Education	12,285,872	-	-	-	(12,285,872)		(12,285,872)
Public works	4,376,014	41,655	64,043	701,528	(3,568,788)		(3,568,788)
Health and human services	632,089	113,100	67,182	-	(451,807)		(451,807)
Culture and recreation	794,056	1,736	34,412	-	(757,908)		(757,908)
Interest expense	45,668	-	-	-	(45,668)		(45,668)
Total governmental activities	27,358,212	1,809,203	1,149,314	701,528	(23,698,167)		(23,698,167)
Business-type activities:							
Water	1,061,128	925,523	-	-		\$ (135,605)	(135,605)
Sewer	1,496,875	1,321,393	-	-		(175,482)	(175,482)
Total business-type activities	2,558,003	2,246,916	-	-		(311,087)	(311,087)
Total Primary Government	\$ 29,916,215	\$ 4,056,119	\$ 1,149,314	\$ 701,528	(23,698,167)	(311,087)	(24,009,254)
		<u>General Revenues:</u>					
		Property taxes			19,215,938	-	19,215,938
		Motor vehicle and other excise			1,545,854	-	1,545,854
		Grants not restricted for specific purposes			978,151	-	978,151
		Penalties and interest on taxes			118,948	-	118,948
		Unrestricted investment income			592,025	32,839	624,864
		Landfill revenue sharing			2,081,655	-	2,081,655
		<u>Transfers (net)</u>			(90,968)	90,968	-
		Total general revenues and transfers			24,441,603	123,807	24,565,410
		Change in Net Position			743,436	(187,280)	556,156
		<u>Net Position:</u>					
		Beginning of year			56,832,972	9,613,584	66,446,556
		End of year			<u>\$ 57,576,408</u>	<u>\$ 9,426,304</u>	<u>\$ 67,002,712</u>

See accompanying notes to basic financial statements.

TOWN OF WESTMINSTER, MASSACHUSETTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Funds	Transfer Station	Town Capital Projects	ARPA Grant	Chapter 90 Road Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Assets:							
Cash and cash equivalents	\$ 6,895,308	\$ 2,281,607	\$ 1,923	\$ 937,275	\$ 1,951	\$ 2,198,491	\$ 12,316,555
Investments	20,292,936	-	-	-	-	473,790	20,766,726
Receivables (net allowance for doubtful accounts):							
Real and personal property	176,366	-	-	-	-	-	176,366
Tax liens	164,267	-	-	-	-	-	164,267
Betterments	-	-	-	-	-	111,539	111,539
Departmental and other	139,005	-	-	-	-	289,807	428,812
Landfill host fees	400,461	41,365	-	-	-	-	441,826
Intergovernmental	-	-	-	-	45,646	27,267	72,913
Total Assets	<u>28,068,343</u>	<u>2,322,972</u>	<u>1,923</u>	<u>937,275</u>	<u>47,597</u>	<u>3,100,894</u>	<u>34,479,004</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 28,068,343</u>	<u>\$ 2,322,972</u>	<u>\$ 1,923</u>	<u>\$ 937,275</u>	<u>\$ 47,597</u>	<u>\$ 3,100,894</u>	<u>\$ 34,479,004</u>
Liabilities:							
Warrants and accounts payable	\$ 579,769	\$ 227	\$ -	\$ -	\$ 33,340	\$ 33,792	\$ 647,128
Accrued payroll and withholdings	40,142	-	-	-	-	-	40,142
Unearned revenue	-	-	-	937,275	-	-	937,275
Deposits	261,120	-	-	-	-	-	261,120
Other liabilities	13,693	-	-	-	-	-	13,693
Bond anticipation notes payable	-	-	202,000	-	-	-	202,000
Total Liabilities	<u>894,724</u>	<u>227</u>	<u>202,000</u>	<u>937,275</u>	<u>33,340</u>	<u>33,792</u>	<u>2,101,358</u>
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	219,946	-	-	-	-	-	219,946
Unavailable revenue - other	139,005	-	-	-	-	401,346	540,351
Total Deferred Inflows of Resources	<u>358,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>401,346</u>	<u>760,297</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	339,600	339,600
Restricted	3,255	2,322,745	-	-	14,257	2,379,411	4,719,668
Committed	1,293,329	-	-	-	-	-	1,293,329
Assigned	678,799	-	-	-	-	-	678,799
Unassigned	24,839,285	-	(200,077)	-	-	(53,255)	24,585,953
Total Fund Balances	<u>26,814,668</u>	<u>2,322,745</u>	<u>(200,077)</u>	<u>-</u>	<u>14,257</u>	<u>2,665,756</u>	<u>31,617,349</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,068,343</u>	<u>\$ 2,322,972</u>	<u>\$ 1,923</u>	<u>\$ 937,275</u>	<u>\$ 47,597</u>	<u>\$ 3,100,894</u>	<u>\$ 34,479,004</u>

See accompanying notes to basic financial statements.

TOWN OF WESTMINSTER, MASSACHUSETTS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2023

Total Governmental Fund Balances	\$ 31,617,349
Capital assets used in governmental activities are not financial resources and therefore are not reported in the government funds.	46,891,450
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	760,297
Deferred outflows and inflows of resources to be recognized in future years' expense are not available resources and, therefore, are not reported in the funds:	
Deferred outflows related to net other postemployment benefits liability	307,473
Deferred outflows related to net pension liability	1,745,787
Deferred inflows related to net other postemployment benefits liability	(1,367,965)
Deferred inflows related to net pension liability	(648,356)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the government funds:	
Bonds and notes payable	(1,545,000)
Compensated absences	(250,392)
Net other postemployment benefits liability	(6,352,451)
Net pension liability	(13,581,784)
Net Position of Governmental Activities	<u>\$ 57,576,408</u>

See accompanying notes to basic financial statements.

TOWN OF WESTMINSTER, MASSACHUSETTS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	General Funds	Transfer Station	Town Capital Projects	ARPA Grant	Chapter 90 Road Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 19,300,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,300,333
Intergovernmental	1,029,468	-	-	710,291	612,384	446,319	2,798,462
Motor vehicle and other excises	1,604,115	-	-	-	-	-	1,604,115
Licenses and permits	315,658	-	-	-	-	-	315,658
Departmental and other revenue	247,451	20,080	-	-	-	1,052,405	1,319,936
Landfill revenue sharing	1,856,276	225,379	-	-	-	-	2,081,655
Penalties and interest on taxes	118,948	-	-	-	-	-	118,948
Fines and forfeitures	48,043	-	-	-	-	-	48,043
Investment income (loss)	563,147	18,186	-	-	-	10,692	592,025
Contributions and donations	-	-	-	-	-	30,531	30,531
Total Revenues	<u>25,083,439</u>	<u>263,645</u>	<u>-</u>	<u>710,291</u>	<u>612,384</u>	<u>1,539,947</u>	<u>28,209,706</u>
Expenditures:							
Current:							
General government	2,078,225	-	-	20,291	-	470,954	2,569,470
Public safety	4,534,614	-	-	-	-	375,584	4,910,198
Education	11,595,872	-	-	690,000	-	-	12,285,872
Public works	3,768,013	11,688	-	-	509,684	89,814	4,379,199
Health and human services	370,389	-	-	-	-	51,742	422,131
Culture and recreation	512,158	-	-	-	-	29,008	541,166
Fringe benefits	2,226,265	-	-	-	-	-	2,226,265
Debt service:							
Principal paydown	205,000	-	-	-	-	-	205,000
Interest expense	45,668	-	-	-	-	-	45,668
State and county tax assessments	68,535	-	-	-	-	-	68,535
Total Expenditures	<u>25,404,739</u>	<u>11,688</u>	<u>-</u>	<u>710,291</u>	<u>509,684</u>	<u>1,017,102</u>	<u>27,653,504</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(321,300)</u>	<u>251,957</u>	<u>-</u>	<u>-</u>	<u>102,700</u>	<u>522,845</u>	<u>556,202</u>
Other Financing Sources (Uses):							
Transfers in	828,489	-	202,000	-	-	79,176	1,109,665
Transfers out	(369,260)	(58,663)	-	-	-	(772,710)	(1,200,633)
Total Other Financing Sources (Uses)	<u>459,229</u>	<u>(58,663)</u>	<u>202,000</u>	<u>-</u>	<u>-</u>	<u>(693,534)</u>	<u>(90,968)</u>
Net Change in Fund Balances	137,929	193,294	202,000	-	102,700	(170,689)	465,234
Fund Balances - Beginning,	<u>26,676,739</u>	<u>2,129,451</u>	<u>(402,077)</u>	<u>-</u>	<u>(88,443)</u>	<u>2,836,445</u>	<u>31,152,115</u>
Fund Balances - Ending	<u>\$ 26,814,668</u>	<u>\$ 2,322,745</u>	<u>\$ (200,077)</u>	<u>\$ -</u>	<u>\$ 14,257</u>	<u>\$ 2,665,756</u>	<u>\$ 31,617,349</u>

See accompanying notes to basic financial statements.

TOWN OF WESTMINSTER, MASSACHUSETTS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Net Change in Fund Balances - Total Governmental Fund Balances	\$	465,234
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and depreciated over their estimated useful lives. The following are the differences due to the difference in accounting methodology:

Cost of capital additions	2,987,051	
Depreciation	<u>(2,592,330)</u>	
Net effect of reporting capital assets		394,721

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on net position. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unearned and amortized in the Statement of Activities.

The following are the differences due to the difference in accounting methodology:		
Repayments of existing debt	<u>205,000</u>	
Net effect of reporting long-term debt		205,000

Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. The amount presented represents the difference in unavailable revenue.	(17,090)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Compensated absences	19,501	
Other postemployment benefits	17,535	
Pension benefits	<u>(341,465)</u>	
Net effect of reporting long-term liabilities		(304,429)

Change in Net Position of Governmental Activities	\$	<u>743,436</u>
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See accompanying notes to basic financial statements.

TOWN OF WESTMINSTER, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,554,643	\$ 1,436,941	\$ 3,991,584
Receivables (net of allowance for doubtful accounts):			
User charges	283,547	395,011	678,558
Total current assets	<u>2,838,190</u>	<u>1,831,952</u>	<u>4,670,142</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	4,560,965	5,239,334	9,800,299
Total noncurrent assets	<u>4,560,965</u>	<u>5,239,334</u>	<u>9,800,299</u>
Total Assets	<u>7,399,155</u>	<u>7,071,286</u>	<u>14,470,441</u>
Deferred Outflows of Resources:			
Related to net other postemployment benefits liability	6,406	6,406	12,812
Related to net pension liability	<u>62,568</u>	<u>62,568</u>	<u>125,136</u>
Total Deferred Outflows of Resources	<u>68,974</u>	<u>68,974</u>	<u>137,948</u>
Liabilities:			
Current liabilities:			
Warrants and accounts payable	75,240	76,745	151,985
Bond anticipation notes payable	1,912,856	-	1,912,856
Bonds and notes payable	-	53,554	53,554
Compensated absences	1,034	1,034	2,068
Total current liabilities	<u>1,989,130</u>	<u>131,333</u>	<u>2,120,463</u>
Noncurrent liabilities:			
Bonds and notes payable	-	1,713,730	1,713,730
Compensated absences	3,103	3,103	6,206
Net other postemployment benefits liability	132,343	132,343	264,686
Net pension liability	486,764	486,764	973,528
Total noncurrent liabilities	<u>622,210</u>	<u>2,335,940</u>	<u>2,958,150</u>
Total Liabilities	<u>2,611,340</u>	<u>2,467,273</u>	<u>5,078,613</u>
Deferred Inflows of Resources:			
Related to net other postemployment benefits liability	28,500	28,500	57,000
Related to net pension liability	<u>23,236</u>	<u>23,236</u>	<u>46,472</u>
Total Deferred Inflows of Resources	<u>51,736</u>	<u>51,736</u>	<u>103,472</u>
Net Position:			
Net investment in capital assets	2,901,675	3,566,952	6,468,627
Unrestricted	<u>1,903,378</u>	<u>1,054,299</u>	<u>2,957,677</u>
Total Net Position	<u>\$ 4,805,053</u>	<u>\$ 4,621,251</u>	<u>\$ 9,426,304</u>

See accompanying notes to basic financial statements.

TOWN OF WESTMINSTER, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023**

	Business-type Activities - Enterprise Funds		
	Water	Sewer	Totals
Operating Revenues:			
Charges for services	\$ 925,523	\$ 1,321,393	\$ 2,246,916
Total Operating Revenues	925,523	1,321,393	2,246,916
Operating Expenses:			
Operating costs	802,403	1,263,277	2,065,680
Depreciation	235,829	183,525	419,354
Total Operating Expenses	1,038,232	1,446,802	2,485,034
Operating Income (Loss)	(112,709)	(125,409)	(238,118)
Nonoperating Revenues (Expenses):			
Interest income	20,943	11,896	32,839
Interest expense	(22,896)	(50,073)	(72,969)
Total Nonoperating Revenues (Expenses)	(1,953)	(38,177)	(40,130)
Income (Loss) Before Capital Contributions and Transfers	(114,662)	(163,586)	(278,248)
Transfers in	-	90,968	90,968
Change in Net Position	(114,662)	(72,618)	(187,280)
Net Position - Beginning	4,919,715	4,693,869	9,613,584
Net Position - Ending	<u>\$ 4,805,053</u>	<u>\$ 4,621,251</u>	<u>\$ 9,426,304</u>

See accompanying notes to basic financial statements.

TOWN OF WESTMINSTER, MASSACHUSETTS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
Cash Flows from Operating Activities:			
Receipts from users	\$ 1,003,959	\$ 1,303,519	\$ 2,307,478
Payments to employees	(130,846)	(109,989)	(240,835)
Payments to vendors	(707,733)	(1,203,373)	(1,911,106)
Net Cash Provided by (Used for) Operating Activities	165,380	(9,843)	155,537
Cash Flows from Noncapital Related Financing Activities:			
Transfers in	-	90,968	90,968
Net Cash Provided by Noncapital Related Financing Activities	-	90,968	90,968
Cash Flows from Capital and Related Financing Activities:			
Purchase or construction of capital assets	(1,308,209)	-	(1,308,209)
Paydown of bond anticipation notes	(1,916,428)	-	(1,916,428)
Issuance of bond anticipation notes	1,912,856	-	1,912,856
Principal payments on bonds and notes	-	(53,554)	(53,554)
Interest expense	(22,896)	(50,073)	(72,969)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,334,677)	(103,627)	(1,438,304)
Cash Flows from Investing Activities:			
Interest income	20,943	11,896	32,839
Net Cash Provided by Investing Activities	20,943	11,896	32,839
Net Change in Cash and Cash Equivalents	(1,148,354)	(10,606)	(1,158,960)
Cash and Cash Equivalents:			
Beginning of year	3,702,997	1,447,547	5,150,544
End of year	\$ 2,554,643	\$ 1,436,941	\$ 3,991,584
Reconciliation of Operating Income to Net Cash Provided By (Used For) Operating Activities:			
Operating income (loss)	\$ (112,709)	\$ (125,409)	\$ (238,118)
Depreciation expense	235,829	183,525	419,354
Changes in assets, liabilities and deferred inflows/outflows:			
Receivables	78,436	(17,874)	60,562
Deferred outflows	(21,831)	(21,831)	(43,662)
Accounts payable and accrued expenses	46,674	32,765	79,439
Deferred inflows	(61,019)	(61,019)	(122,038)
Net Cash Provided by (Used for) Operating Activities	\$ 165,380	\$ (9,843)	\$ 155,537

The notes to the financial statements are an integral part of this statement.

TOWN OF WESTMINSTER, MASSACHUSETTS

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2023

	Private Purpose Trust Funds	Other Postemployment Benefits Trust Fund
Assets:		
Cash and cash equivalents	\$ -	\$ 1,572
Investments:		
U.S. government securities	345,665	-
Equity mutual funds	-	190,661
Bond mutual funds	-	153,574
Receivables	-	-
	<u>-</u>	<u>-</u>
Total Assets	<u>345,665</u>	<u>345,807</u>
Liabilities:		
Warrants payable	-	-
Liabilities due depositors	-	-
	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Net Position:		
Restricted for other postemployment benefits	-	345,807
Held in trust for other purposes	345,665	-
	<u>345,665</u>	<u>-</u>
Total Net Position	<u><u>\$ 345,665</u></u>	<u><u>\$ 345,807</u></u>

See accompanying notes to basic financial statements.

TOWN OF WESTMINSTER, MASSACHUSETTS

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS**

YEAR ENDED JUNE 30, 2023

	Private Purpose Trust Funds	Other Postemployment Benefits Trust Fund
	<u> </u>	<u> </u>
Additions		
Contributions:		
Employer	\$ -	\$ 318,710
Total contributions	<u>-</u>	<u>318,710</u>
Investment income:		
Interest and dividends	8,912	6,354
Net appreciation in fair value of investments	356	10,338
Less - investment management fees	<u>(669)</u>	<u>(566)</u>
Net investment earnings	8,599	16,126
	<u> </u>	<u> </u>
Total Additions (net)	<u>8,599</u>	<u>334,836</u>
Deductions		
Life and health insurance premiums paid for retirees	-	218,710
Health and human services - public assistance	<u>8,596</u>	<u>-</u>
	<u> </u>	<u> </u>
Total Deductions	<u>8,596</u>	<u>218,710</u>
CHANGE IN NET POSITION	3	116,126
NET POSITION AT BEGINNING OF YEAR	<u>345,662</u>	<u>229,681</u>
NET POSITION AT END OF YEAR	<u><u>\$ 345,665</u></u>	<u><u>\$ 345,807</u></u>

See accompanying notes to basic financial statements.

TOWN OF WESTMINSTER, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Town is located in Worcester County, approximately 55 miles northeast of Boston. The Town was incorporated in 1759. The governing structure utilizes an open Town Meeting form, with an elected three-member Select Board, and an appointed Town Administrator who performs and oversees the daily executive and administrative duties. The Town provides governmental services for the territory within its boundaries, including police and fire protection, public education in grades K-12 via regional school districts, water and sewer services, street maintenance, parks and recreational facilities. The water and sewer services are funded almost entirely with user charges.

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units where applicable. For the most part, the effect of interfund activity has been removed from these statements; except interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges for support.

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

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

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

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

Transfer Station Fund – is used to account for fees collected to finance the operations of the Town’s solid waste disposal activities.

Town Capital Projects Fund – is used to account for all financial resources that are restricted, committed or assigned for the acquisition or construction of capital facilities and other capital assets of the governmental funds.

ARPA Grant Fund – is used to account for activities of the Town’s ARPA federal grant program.

Chapter 90 Road Improvements Fund – is used to account for monies received from the State under MGL Chapter 90 for eligible road improvements.

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

The *Special Revenue Funds* – are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

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

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

The government reports the following major proprietary funds:

Water Enterprise Fund – accounts for user charges collected to finance costs associated with maintaining the related infrastructure within the Town boundaries by which the water activities are processed.

Sewer Enterprise Fund – accounts for user charges collected to finance costs associated with maintaining the related infrastructure within the Town boundaries by which the sewer activities are processed.

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

The government reports the following fiduciary funds:

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

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

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

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

Receivables – Real estate and personal property taxes are assessed on January 1 every year. Bills are sent quarterly and are due on August 1, November 1, February 1, and May 1, or thirty days subsequent to the mailing date. Interest accrues on delinquent taxes at the rate of 14% per annum. Property taxes levied are recorded as receivables in fiscal year of the levy. The Town is allowed to take delinquent tax accounts into tax title fourteen days subsequent to the mailing of demand for payment of the delinquent taxes.

User charges receivables represent amounts billed for water and sewer fees. Water and sewer charges are billed quarterly and are subject to penalties and interest if not paid by the respective due date. The Town is authorized to take water and sewer fees into tax title fourteen days subsequent to the mailing of a demand for payment of the delinquent taxes.

Real estate taxes and water and sewer user fees may be secured through a lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible balances for these receivables is not reported. All personal property taxes and excise taxes are shown net of an allowance for uncollectible balances comprised of those outstanding amounts greater than five years old. The allowance for uncollectible balances for other receivables is estimated based on historical trends and specific account analysis.

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

Capital Assets – Capital assets, which include land, land improvements, buildings and improvements, machinery and equipment, vehicles and infrastructure (e.g. roads, water and sewer mains, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Interest incurred during the construction phase of capital assets of business-type activities, if material is included as part of the capitalized value of the assets constructed.

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

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

Buildings and improvements	20-50 years
Machinery, equipment and vehicles	3-25 years
Infrastructure	20-50 years

Interfund Balances – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either *due to/from other funds* or *advances to/from other funds*. All other outstanding balances between funds are reported as due to/from other funds.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

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

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

Compensated Absences – It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting the payroll and related expenditures. Amounts related to these benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in Governmental Funds only if they have matured.

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

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets

that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two types of items that are reported on the government-wide statement of net position which relate to outflows from changes in the net pension liability and the other postemployment benefit liability. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection C.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items, which qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and, accordingly, the item *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts became available. The second type of item that qualifies for reporting as a deferred inflow is reported on the government-wide statement of net position. This relates to inflows from changes in the net pension liability which will be recognized in pension expense in future years as more fully described in Note III, subsection A and inflows from the changes in the net postemployment benefits liability which will be recognized in employee benefits expense in future years as more fully described in Note III, subsection C.

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

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

Perpetual permanent funds represent the nonspendable portion of donor restricted trusts that support governmental programs.

Expendable permanent funds represent amounts held in trust whereby expenditures are subject to various trust agreements.

Ambulance represents balances accumulated from user charges associated with the Town’s ambulance activities; these amounts are restricted for costs related to administering the ambulance activity.

Transfer station represents balances accumulated from the fees associated with the Town’s solid waste activities; these amounts are restricted for the costs associated with this activity.

Grants and donations represent balances that are restricted by donors and other outside parties for specific governmental programs and uses.

Other purposes represent balances that are restricted by state laws for specific governmental programs and uses.

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

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

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

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

Committed represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Meeting through Town Meeting Votes, which represent the most binding constraint that give rise to committed fund balance. Those committed amounts cannot be used for any other purpose unless the Town Meeting removes or changes the specified use by taking the same type of action (through Town Meeting Votes) it employed previously to commit those amounts.

Assigned represents amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Town Meeting, Select Board or their designee, who is the Town Accountant. Town Meeting may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent years appropriated budget.

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the Town's policy to use committed resources first, then assigned, and then unassigned as they are needed. The Town has not established financial policies with respect to maintaining minimum fund balance amounts.

Stabilization Fund – The Town maintains several stabilization funds, in accordance with Massachusetts General Law Chapter 40, Section 5B, which may be used for any municipal purpose. Additions to, and spending from, the fund arise upon a two-thirds vote of the Town Meeting. The balances total \$20,672,782 at June 30, 2023 and are reported as unassigned fund balance in the General Fund.

Encumbrances - The Town's encumbrance policy regarding the general fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the Town Accountant as assigned, and (2) classify encumbrances that result from an action of the Town Meeting as committed. Encumbrances of funds already restricted, or committed are included within the classification of those fund balances and not reported separately.

The Town reports \$1,293,329 of encumbrances from Town Meeting votes in the general fund as committed and \$39,799 of encumbrances from normal purchasing activity as assigned at June 30, 2023. There are no encumbrances reported in other funds.

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

	General	Transfer Station	Town Capital Projects	Chapter 90 Road Improvements	Nonmajor Governmental Funds	Total
Nonspendable:						
Perpetual permanent funds	\$ -	\$ -	\$ -	\$ -	\$ 339,600	\$ 339,600
Restricted:						
Public safety grants	-	-	-	-	37,209	37,209
Library gifts and grants	-	-	-	-	60,035	60,035
Other gifts and grants	-	-	-	-	167,001	167,001
Septic repairs	-	-	-	-	150,123	150,123
Ambulance revolving	-	-	-	-	1,623,321	1,623,321
Cemetery receipts reserved	-	-	-	-	67,980	67,980
Wetlands protection	-	-	-	-	49,310	49,310
Planning board	-	-	-	-	48,482	48,482
Cemetery trust funds	-	-	-	-	55,142	55,142
Transfer station revolving	-	2,322,745	-	-	-	2,322,745
Other trust funds	-	-	-	-	79,048	79,048
Debt service	3,255	-	-	-	-	3,255
Other purposes	-	-	-	-	41,760	41,760
Committed:						
Town administration	104,695	-	-	-	-	104,695
Property tax revaluation article	75,000	-	-	-	-	75,000
Public buildings articles	209,772	-	-	-	-	209,772
Police articles	242,298	-	-	-	-	242,298
Fire articles	74,615	-	-	-	-	74,615
Ambulance articles	7,307	-	-	-	-	7,307
Education articles	325,196	-	-	-	-	325,196
Public works articles	246,464	-	-	-	-	246,464
Other articles	7,982	-	-	-	-	7,982
Assigned:						
Purchase orders	39,799	-	-	-	-	39,799
Subsequent years' budget	639,000	-	-	-	-	639,000
Unassigned	24,839,285	-	(200,077)	14,257	(53,255)	24,600,210
Totals	\$ 26,814,668	\$ 2,322,745	\$ (200,077)	\$ 14,257	\$ 2,665,756	\$ 31,617,349

E. Excess of Expenditures Over Appropriations and Deficits

The Town incurred deficits totaling \$200,077 and \$53,255 which are reported in the Town Capital Projects major fund and Nonmajor Governmental funds, respectively. These deficits will be funded through bond proceeds, grants and available funds in future fiscal years.

F. Use of Estimates

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

II. Detailed Notes to All Funds

A. Deposits and Investments

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

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

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk: Deposits - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk relative to cash holdings.

At year-end, the carrying amount of the Town's deposits was \$15,298,105 and the bank balance was \$15,493,755. Of the Town's bank balance, \$5,724,601 was covered by either federal depository insurance or by the depositors' insurance fund and the remainder was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk: Investments – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the Town may not be able to recover the full amount of its principal investment and/or investment earnings. The Town's investments in the MMDT, are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Town's investments in U.S. governmental obligations, corporate fixed income securities, mutual funds and equity securities are exposed to custodial credit risk because the related securities are uninsured unregistered and are held by the counterparty. The Town's investments in negotiable certificates of deposit are fully covered by federal depository insurance.

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

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

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

The following table presents the Town’s investments carried at fair value on a recurring basis in the statement of net position at June 30, 2023:

		Fair Value Measurements Using		
	6/30/23	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
U.S. government obligations	\$ 7,459,936	\$ 6,210,084	\$ 1,249,852	\$ -
Corporate fixed income securities	10,522,695	-	10,522,695	-
Fixed income ETFs	174,290	-	174,290	-
Bond mutual funds	153,574	-	153,574	-
Negotiable certificates of deposit	249,835	-	249,835	-
Total debt securities	18,560,330	6,210,084	12,350,246	-
Equity securities:				
Equity mutual funds	190,661	-	190,661	-
Common stock	2,705,635	2,705,635	-	-
Total equity securities	2,896,296	2,705,635	190,661	-
Total investments by fair value level	\$ 21,456,626	\$ 8,915,719	\$ 12,540,907	\$ -
Investments measured at amortized cost				
State investment pool (MMDT)	396,437			
Money market mutual funds	615,169			
Total investments	\$ 22,468,232			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. U.S. government obligations, corporate fixed income securities, fixed income ETF’s, bond mutual funds and negotiable certificates of deposits classified in Level 2 are valued using pricing based on the securities’ relationship to benchmark quoted prices. The State Treasurer’s investment pool (MMDT) and money market mutual funds are valued at amortized cost. The MMDT’s investment advisor may value the pool using an alternative valuation method that more accurately reflects the fair value in accordance with the pools fair value pricing policies should amortized cost not approximate the fair value of the pool. There are no restrictions or limits on withdrawals from the pool and no direct fees are charged to participants.

Interest Rate Risk – The Town does not have a formal investment policy that limits investment maturities as a way of managing its exposure to fair value losses arising from rising interest rates.

At June 30, 2023, the Town’s investments had the following maturities:

Investment Type	6/30/23	Time Until Maturity (Years)		
		Less Than 1	1-5	6-10
U.S. government obligations	\$ 7,459,936	\$ 1,808,610	\$ 5,651,326	\$ -
Corporate fixed income securities	10,522,695	3,209,139	5,141,528	2,172,028
Fixed income EFTs	174,290	-	174,290	-
Bond mutual funds	153,574	153,574	-	-
Negotiable certificates of deposit	249,835	249,835	-	-
State investment pool (MMDT)	396,437	396,437	-	-
Total investments with maturities	<u>\$ 18,956,767</u>	<u>\$ 5,817,595</u>	<u>\$ 10,967,144</u>	<u>\$ 2,172,028</u>

Concentration of Credit Risk – The Town does not place a limit on the amount that may be invested in any one issuer.

Credit Risk – The Town has not adopted a formal policy related to credit risk.

At June 30, 2023, the credit quality ratings of investments were as follows:

	Standard and Poor's Ratings		
	U.S. Government Agency Obligations	Corporate Fixed Income Securities	Total
AA+	\$ 7,459,936	\$ -	\$ 7,459,936
A+	-	2,642,185	2,642,185
A	-	1,104,172	1,104,172
A-	-	3,027,659	3,027,659
BBB+	-	1,733,963	1,733,963
BBB	-	2,014,716	2,014,716
Total	<u>\$ 7,459,936</u>	<u>\$ 10,522,695</u>	<u>\$ 17,982,631</u>

The Town’s investments in fixed income EFT’s, bond mutual funds, negotiable certificates of deposit, MMDT and money market mutual funds are unrated.

B. Receivables

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
Real estate and personal property taxes	\$ 176,366	\$ -	\$ 176,366
Tax liens and foreclosures	164,267	-	164,267
Excise	139,005	-	139,005
Ambulance	401,107	(140,388)	260,719
Landfill	441,826	-	441,826
Septic betterments	111,539	-	111,539
Other departmental	29,088	-	29,088
Intergovernmental	72,913	-	72,913
Total Governmental Receivables	<u>\$ 1,536,111</u>	<u>\$ (140,388)</u>	<u>\$ 1,395,723</u>

Receivables as of year-end for Town's proprietary funds are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Water user charges	\$ 283,547	\$ -	\$ 283,547
Sewer user charges	395,011	-	395,011
Total Business-Type Receivables	<u>\$ 678,558</u>	<u>\$ -</u>	<u>\$ 678,558</u>

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. The following identifies the components of deferred inflows of resources in the governmental funds:

	General Fund	Other Governmental Funds	Total
Receivable type:			
Real estate and personal property taxes	\$ 55,679	\$ -	\$ 55,679
Tax liens and foreclosures	164,267	-	164,267
Excise	139,005	-	139,005
Ambulance	-	260,719	260,719
Septic betterments	-	111,539	111,539
Other departmental	-	29,088	29,088
Total deferred inflows	<u>\$ 358,951</u>	<u>\$ 401,346</u>	<u>\$ 760,297</u>

Landfill Revenue Sharing – The Town is currently under agreement with a private third party to provide solid waste management services to the Town. In connection with this agreement, the Town has allowed the private third party to operate the Town’s Landfill as a tipping site for disposal of the solid waste collected. Pursuant to this agreement, the Town is paid a percentage of the revenue collected in addition to transferring the Town’s obligation to cover the landfill and provide for post-closure care for a period up to 30 years.

The Town earned \$2,081,655 during fiscal year 2023 of which \$441,826 remained outstanding at June 30, 2023 and is reported as receivables of \$400,461 and \$41,365 in the Town’s General Fund and Transfer Station major funds, respectively.

C. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2023, are as follows:

Transfers Out	Transfers In				Total	
	General Fund	Capital Projects	Nonmajor Funds	Sewer Enterprise		
General Fund	\$ -	\$ 202,000	\$ 79,176	\$ 88,084	\$ 369,260	(1)
Transfer Station	58,663	-	-	-	58,663	(2)
Nonmajor Funds	769,826	-	-	2,884	772,710	(2)
Total	<u>\$ 828,489</u>	<u>\$ 202,000</u>	<u>\$ 79,176</u>	<u>\$ 90,968</u>	<u>\$1,200,633</u>	

- (1) Transfers to capital projects for BAN paydown; transfers to nonmajor for ambulance operations and cultural programs; transfer to sewer to supplement operations.
(2) Transfers to general fund and sewer enterprise to supplement operating budgets.

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<u><i>Governmental Activities:</i></u>				
Capital assets not being depreciated:				
Land	\$ 9,920,555	\$ -	\$ -	\$ 9,920,555
Construction in process	66,343	477,397	(66,343)	477,397
Total capital assets not being depreciated	9,986,898	477,397	(66,343)	10,397,952
Capital assets being depreciated:				
Buildings and improvements	13,889,694	351,753	-	14,241,447
Infrastructure	72,069,271	1,465,073	-	73,534,344
Machinery, vehicles and equipment	12,507,974	759,171	(74,900)	13,192,245
Total capital assets being depreciated	98,466,939	2,575,997	(74,900)	100,968,036
Less accumulated depreciation for:				
Buildings and improvements	(4,981,546)	(331,092)	-	(5,312,638)
Infrastructure	(48,203,998)	(1,509,772)	-	(49,713,770)
Machinery, vehicles and equipment	(8,771,564)	(751,466)	74,900	(9,448,130)
Total accumulated depreciation	(61,957,108)	(2,592,330)	74,900	(64,474,538)
Total capital assets being depreciated, net	36,509,831	(16,333)	-	36,493,498
Governmental activities capital assets, net	<u>\$ 46,496,729</u>	<u>\$ 461,064</u>	<u>\$ (66,343)</u>	<u>\$ 46,891,450</u>
<u><i>Business-type Activities:</i></u>				
Capital assets not being depreciated:				
Construction in process	\$ 1,357,498	\$ -	\$ (1,357,498)	\$ -
Total capital assets not being depreciated	1,357,498	-	(1,357,498)	-
Capital assets being depreciated:				
Buildings and improvements	436,850	-	-	436,850
Infrastructure	15,312,418	2,591,623	-	17,904,041
Machinery, vehicles and equipment	782,450	74,084	-	856,534
Total capital assets being depreciated	16,531,718	2,665,707	-	19,197,425
Less accumulated depreciation for:				
Buildings and improvements	(243,216)	(8,419)	-	(251,635)
Infrastructure	(8,056,102)	(338,416)	-	(8,394,518)
Machinery, vehicles and equipment	(678,454)	(72,519)	-	(750,973)
Total accumulated depreciation	(8,977,772)	(419,354)	-	(9,397,126)
Total capital assets being depreciated, net	7,553,946	2,246,353	-	9,800,299
Business-type activities capital assets, net	<u>\$ 8,911,444</u>	<u>\$ 2,246,353</u>	<u>\$ (1,357,498)</u>	<u>\$ 9,800,299</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type Activities: Water</u>				
Capital assets not being depreciated:				
Construction in process	\$ 1,357,498	\$ -	\$ (1,357,498)	\$ -
Total capital assets not being depreciated	1,357,498	-	(1,357,498)	-
Capital assets being depreciated:				
Buildings and improvements	436,850	-	-	436,850
Infrastructure	6,602,439	2,591,623	-	9,194,062
Machinery, equipment and vehicles	459,637	74,084	-	533,721
Total capital assets being depreciated	7,498,926	2,665,707	-	10,164,633
Less accumulated depreciation for:				
Buildings and improvements	(243,216)	(8,419)	-	(251,635)
Infrastructure	(4,750,461)	(161,021)	-	(4,911,482)
Machinery, equipment and vehicles	(374,162)	(66,389)	-	(440,551)
Total accumulated depreciation	(5,367,839)	(235,829)	-	(5,603,668)
Total Water capital assets being depreciated, net	2,131,087	2,429,878	-	4,560,965
Water capital assets, net	\$ 3,488,585	\$ 2,429,878	\$ (1,357,498)	\$ 4,560,965

<u>Business-type Activities: Sewer</u>				
Capital assets being depreciated:				
Infrastructure	\$ 8,709,979	\$ -	\$ -	\$ 8,709,979
Machinery, equipment and vehicles	322,813	-	-	322,813
Total capital assets being depreciated	9,032,792	-	-	9,032,792
Less accumulated depreciation for:				
Infrastructure	(3,305,641)	(177,395)	-	(3,483,036)
Machinery, equipment and vehicles	(304,292)	(6,130)	-	(310,422)
Total accumulated depreciation	(3,609,933)	(183,525)	-	(3,793,458)
Total Sewer capital assets being depreciated, net	5,422,859	(183,525)	-	5,239,334
Sewer capital assets, net	\$ 5,422,859	\$ (183,525)	\$ -	\$ 5,239,334

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities:</u>		<u>Business-Type Activities:</u>	
General government	\$ 211,308	Water	\$ 235,829
Public safety	441,850	Sewer	183,525
Public works	1,760,584	Total Business-Type Activities	<u>\$ 419,354</u>
Health and human services	78,080		
Culture and recreation	100,508		
Total Governmental Activities	<u>\$ 2,592,330</u>		

E. Temporary Debt

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

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

Capital Projects and Other Approved Costs – Projects may be temporarily funded through the issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS). In certain cases, prior to the issuance of these temporary notes, the governing body must take the necessary legal steps to authorize the issuance of the general obligation bonds. Temporary notes may not exceed the aggregate amount of bonds authorized or the grant award amount and carry maturity dates that are limited by state law. Interest expenditures and expenses for temporary borrowings are accounted for in the general fund and enterprise funds, respectively.

Temporary notes outstanding at June 30, 2023, are payable as follows:

Type	Interest Rate	Maturity Date	Beginning Balance	Additions	Retirements	Ending Balance
BAN	0.37%	matured	\$ 240,000	\$ -	\$ (240,000)	\$ -
BAN	1.70%	matured	164,000	-	(164,000)	-
BAN	4.20%	12/21/23	-	120,000	-	120,000
BAN	4.40%	06/09/23	-	82,000	-	82,000
Total Governmental Notes			404,000	202,000	(404,000)	202,000
BAN	1.70%	matured	1,916,428	-	(1,916,428)	-
BAN	4.22%	02/23/24	-	1,912,856	-	1,912,856
Total Business-Type Notes			1,916,428	1,912,856	(1,916,428)	1,912,856
Total Notes Payable			<u>\$ 2,320,428</u>	<u>\$ 2,114,856</u>	<u>\$ (2,320,428)</u>	<u>\$ 2,114,856</u>

BAN's issued for governmental activities were used for roadwork design (\$82,000) and a fire engine (\$120,000) and BAN's issued for business-type funds were issued for water projects (\$1,912,856).

F. Long-Term Obligations

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

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

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
<i>Governmental Activities:</i>					
General obligation bonds	\$ 1,495,000	\$ -	\$ (190,000)	\$ 1,305,000	\$ 190,000
Notes from direct borrowings and placements	255,000	-	(15,000)	240,000	15,000
Compensated absences	269,893	115,446	(134,947)	250,392	125,196
Net other postemployment benefits liability	6,173,265	1,853,113	(1,673,927)	6,352,451	-
Net pension liability	11,042,975	4,261,122	(1,722,313)	13,581,784	-
Total Governmental Activities	<u>\$ 19,236,133</u>	<u>\$ 6,229,681</u>	<u>\$ (3,736,187)</u>	<u>\$ 21,729,627</u>	<u>\$ 330,196</u>
<i>Business-type Activities: Water:</i>					
Compensated absences	\$ 5,465	\$ 38	\$ (1,366)	\$ 4,137	\$ 1,034
Net other postemployment benefits liability	128,610	38,607	(34,874)	132,343	-
Net pension liability	395,774	152,716	(61,726)	486,764	-
Total Water	<u>529,849</u>	<u>191,361</u>	<u>(97,966)</u>	<u>623,244</u>	<u>1,034</u>
<i>Business-type Activities: Sewer:</i>					
Notes from direct borrowings and placements	\$ 1,820,838	\$ -	\$ (53,554)	\$ 1,767,284	\$ 53,554
Compensated absences	5,465	38	(1,366)	4,137	1,034
Net other postemployment benefits liability	128,610	38,607	(34,874)	132,343	-
Net pension liability	395,774	152,716	(61,726)	486,764	-
Total Sewer	<u>2,350,687</u>	<u>191,361</u>	<u>(151,520)</u>	<u>2,390,528</u>	<u>54,588</u>
Total Business-type Activities	<u>\$ 2,880,536</u>	<u>\$ 382,722</u>	<u>\$ (249,486)</u>	<u>\$ 3,013,772</u>	<u>\$ 55,622</u>

The governmental activities liabilities will be liquidated by the general fund. The business-type liabilities will be liquidated by the respective business-type funds.

The following is a summary of outstanding long-term debt obligations as of June 30, 2023:

Description of Issue	Interest Rate	Beginning Balance	Additions	Maturities	Ending Balance
<i>Governmental Activities:</i>					
General obligation bonds	2.00 - 3.00%	\$ 1,495,000	\$ -	\$ (190,000)	\$ 1,305,000
Total General Obligation Bonds		<u>1,495,000</u>	<u>-</u>	<u>(190,000)</u>	<u>1,305,000</u>
Massachusetts Clean Water Trust (MCWT) notes	0.00%	255,000	-	(15,000)	240,000
Total notes from direct borrowings and placements		<u>255,000</u>	<u>-</u>	<u>(15,000)</u>	<u>240,000</u>
Total Governmental Activities debt		<u>\$ 1,750,000</u>	<u>\$ -</u>	<u>\$ (205,000)</u>	<u>\$ 1,545,000</u>
<i>Business-type Activities - Sewer:</i>					
U.S. Department of Agriculture bond	2.75%	\$ 1,820,838	\$ -	\$ (53,554)	\$ 1,767,284
Total notes from direct borrowings and placements		<u>1,820,838</u>	<u>-</u>	<u>(53,554)</u>	<u>1,767,284</u>
Total Sewer debt		<u>\$ 1,820,838</u>	<u>\$ -</u>	<u>\$ (53,554)</u>	<u>\$ 1,767,284</u>

At June 30, 2023, the Town had no authorized and unissued debt.

Payments on general long-term debt obligation bonds due in future years consist of the following:

Year Ending June 30	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
<i>Governmental Activities</i>				
2024	\$ 190,000	\$ 37,250	\$ 15,000	\$ -
2025	190,000	32,500	15,000	-
2026	185,000	27,750	15,000	-
2027	185,000	22,200	15,000	-
2028	185,000	16,650	15,000	-
2029-2033	370,000	16,650	75,000	-
2034-2038	-	-	75,000	-
2039	-	-	15,000	-
Total	<u>\$ 1,305,000</u>	<u>\$ 153,000</u>	<u>\$ 240,000</u>	<u>\$ -</u>

Year Ending June 30	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
<i>Business-Type Activities - Sewer</i>				
2024	\$ -	\$ -	\$ 53,554	\$ 48,600
2025	-	-	53,554	47,128
2026	-	-	53,554	45,655
2027	-	-	53,554	44,182
2028	-	-	53,554	42,709
2029-2033	-	-	267,770	191,455
2034-2038	-	-	267,770	154,638
2039-2043	-	-	267,770	117,819
2044-2048	-	-	267,770	81,000
2049-2053	-	-	267,770	44,183
2054-2056	-	-	160,664	8,837
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,767,284</u>	<u>\$ 826,206</u>

Massachusetts Clean Water Trust (MCWT)

The Town's has an outstanding note from direct borrowings and placements issued to the MCWT for \$300,000 on September 12, 2018 under its Community Septic Management Program. The note is payable without interest in twenty annual installments through July 15, 2038. The financing agreement with the MCWT contain a provision that in the event of default, outstanding amounts due and payable shall be paid from any undisbursed proceeds on account or be deducted from any state local aid distributions owed to the Town. This provision also allows the MCWT to

declare the entire outstanding note amount due immediately. Any imputed interest is immaterial to governmental activities.

U.S. Department of Agriculture (USDA)

The Town's has an outstanding note from direct borrowings and placements issued to the USDA under the Water and Waste Disposal Loan and Grant Program. The note was issued for \$1,981,500 on May 10, 2019, payable at a 2.75% interest rate with annual payments through May 10, 2056.

III. Other Information

A. Retirement System

Retirement System Description – The Town contributes to the Worcester Regional Retirement System (the “System”), a cost-sharing multiple-employer defined benefit pension plan established under Chapter 32 of the Commonwealth of Massachusetts General Laws (“MGL”) and administered by Worcester Regional Retirement Board (the “Board”). Standalone audited financial statements for the year ended December 31, 2022, were issued and may be obtained by writing to the Board at Worcester Regional Retirement System, 23 Midstate Drive, Auburn, MA 01501.

Membership – Membership in the System as of December 31, 2022, was as follows:

Retirees and beneficiaries currently receiving benefits	4,270
Active plan members	7,561
Inactive plan members	2,197
Total	<u>14,028</u>

Benefit Terms – Membership in the System is mandatory for all full-time employees and non-seasonal, part-time employees who, in general, regularly work more than twenty hours per week. Teachers and certain administrative personnel employed by the Town's school department participate in a separate pension plan administered by the Massachusetts Teachers' System, which is the legal responsibility of the Commonwealth of Massachusetts. Members of the System do not participate in the federal Social Security retirement system.

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

The most common benefits paid by the System include normal retirement, disability retirement and survivor benefits.

Normal retirement generally occurs at age 65. However, participants may retire after twenty years of service or at any time after attaining age 55, if hired prior to April 2, 2012 or at any time after attaining age 60 if hired on or after April 2, 2012. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years' creditable service in order to retire at age 55. Participants become vested after ten years of service. Benefits

commencing before age 65 are provided at a reduced rate. Members working in certain occupations may retire with full benefits earlier than age 65.

Ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. Accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of duty. The amount of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of service, average compensation and veteran status.

Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

Cost-of-living adjustments granted to members of Massachusetts retirement systems between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth during those years have been the financial responsibility of the Commonwealth. Beginning in 1998, the funding of cost-of-living amounts became the responsibility of the participating units like the System.

The System may be amended or terminated in whole or in part at any time by the Massachusetts Legislature, provided that no such modification, amendment or termination shall be made that would deprive a current member of superannuation pension rights or benefits provided under applicable laws of Massachusetts, if such member has paid the stipulated contributions specified in sections or provisions of such laws. There were no significant changes to the System's benefit terms during the year ended December 31, 2022.

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

The Town contributed \$1,150,937 to the System in fiscal year 2023, which equaled the actuarially-determined contribution requirement for the fiscal year.

Net Pension Liability – At June 30, 2023, the Town reported a liability of \$14,555,312 for its proportionate share of the net pension liability. The net pension liability was measured as of January 1, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. These balances were updated by an independent actuary up to December 31, 2022.

No actuarial assumptions and methods used in the January 1, 2022 valuation have changed since the last valuation. There were no material changes to the System's benefit terms since the actuarial valuation.

The Town's proportion of the net pension liability is based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all employers. The Town's proportion was approximately 1.42% on December 31, 2022, which was consistent with the proportion measured at December 31, 2021.

Pension Expense – The Town recognized \$1,516,876 in pension expense in the statement of activities in fiscal year 2023.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 445,430
Net differences between projected and actual earnings on pension plan investments	982,270	-
Changes of assumptions	771,323	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	117,330	249,398
Total	<u>\$ 1,870,923</u>	<u>\$ 694,828</u>

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

Year Ended June 30,	<u>Amount</u>
2024	\$ 57,539
2025	231,513
2026	325,939
2027	584,389
2028	(23,285)
Total	<u>\$ 1,176,095</u>

Actuarial Valuation – The measurement of the System's total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2022. The significant actuarial assumptions used in the January 1, 2022 actuarial valuation updated through the measurement date of December 31, 2022 included:

Actuarial cost method	Entry Age Normal
Amortization method	Increasing dollar amount at 4%. Annual increase in appropriations is further limited to 9.95%
Remaining amortization period	13 years (2036), except for the 2002 and 2003 ERI which are 5 years (2028)
Asset valuation method	Market value as of the valuation date, reduced by the sum of: 80% of gains and losses of the prior year, 60% of gains and losses of the second prior year, 40% of gains and losses of the third prior year, and 20% of gains and losses of the fourth prior year.
Investment rate of return / discount rate	7.25%, net of pension plan investment expense, including inflation
Projected salary increases	Group 1: 4.25 - 6.00%, based on service Group 4: 4.75 - 7.00%, based on service
Inflation rate	2.4% per year
Mortality rates:	
Healthy retiree	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2020.
Disabled retiree	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2020, set forward one year.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
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%
Timberland	4%	4.40%
Portfolio Completion Strategies	10%	3.90%

Discount Rate – The discount rate used to measure the total pension liability was 7.25%, which was consistent with the prior year. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that

employer contributions will be in accordance with Sections 22D and 22F of Chapter 32 of the Massachusetts General Laws. Based on those assumptions, the pension plan'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.

Sensitivity Analysis – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.25% as well as the Town's proportionate share of the net pension liability using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

Total Proportionate Share of Net Pension Liability			
Current Rate	1% Decrease	Current	1% Increase
7.25%	\$ 17,761,402	\$ 14,555,312	\$ 11,844,767

B. Other Postemployment Benefits

The Town administers a single-employer defined benefit healthcare plan (the "OPEB Plan") that provides health, dental and life insurance benefits (other postemployment benefits) to retirees and their dependents/beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B. The OPEB Plan does not issue a stand-alone financial report and is presented as a fiduciary fund in the Town's financial statements.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and Town ordinance. All benefits are provided through the Town's premium-based insurance programs, and these include comprehensive medical insurance and life insurance. Pre-65 retirees are provided with HMO Blue and Blue Choice, and Post 65 retirees have Medex II, Managed Blue, and Tufts Medicare Compliment. Life Insurance coverage is through Boston Mutual.

OPEB Plan disclosures that impact the Town's net OPEB liability using a measurement date of June 30, 2023, are summarized as follows:

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of the July 1, 2021, actuarial valuation date:

Active employees	68
Inactives currently receiving benefits	53
Total	<u>121</u>

Contributions – The contribution requirements of OPEB Plan members and the Town are established and may be amended by the Town. Retirees contributed 50% of the set premium for medical and life insurance benefits. The remainder of the cost is funded by general revenues of the Town.

The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the OPEB Plan are paid by the Town. For the year ended June 30, 2023, the Town's average contribution rate was 6.84% of covered-employee payroll which was \$4,659,998.

Net OPEB Liability – The components of the net OPEB liability was measured as of June 30, 2023, using an actuarial valuation as of July 1, 2021. The components of the net OPEB liability of the Town on June 30, 2023, were as follows:

Total OPEB Liability	\$	6,962,944
Plan fiduciary net position		<u>(345,807)</u>
Net OPEB liability	\$	<u><u>6,617,137</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		4.97%

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

Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market value of the assets as of June 30, 2023
Investment rate of return	5.14%, net of OPEB plan investment expense, including inflation
Single Equivalent Discount Rate	5.14%, net of OPEB plan investment expense, including inflation
Inflation	2.5% as of June 30, 2023 and for future periods.
Health Care Trend Rate	4.5% annually
Salary Increases	3.0% annually as of June 30, 2023 and for future periods.
Mortality:	
Pre-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Post-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Disabled Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year

Key Changes in Assumptions – Key assumption changes for fiscal year 2023 included:

Increase in the investment rate of return from 5.11% to 5.14%

Increase in the discount rate from 5.11% to 5.14%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.14% which was based on a blend of the expected long-term rate of return on investments and the 20-year municipal bond index.

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

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

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

Asset Class	Target Allocation	Investment Rate of Return
Domestic Equity - Large Cap	24.00%	4.10%
Domestic Equity - Small/Mid Cap	11.00%	4.55%
International Equity - Developed Market	11.00%	4.64%
International Equity - Emerging Market	6.00%	5.45%
Domestic Fixed Income	37.50%	1.05%
International Fixed Income	8.50%	0.96%
Alternatives	1.50%	5.95%
Real Estate	0.00%	6.25%
Cash and Cash Equivalents	0.50%	0.00%
	100.00%	
Real rate of return		2.89%
Inflation assumption		2.50%
Total nominal rate of return		5.39%
Investment Expense		-0.25%
Net Investment Return		5.14%

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

Net OPEB Liability - Healthcare Trend Rate			
Current Rate	1% Decrease	Current	1% Increase
4.5% to 3.6%	\$ 5,604,470	\$ 6,617,137	\$ 7,918,632

Net OPEB Liability - Discount Rate			
Current Rate	1% Decrease	Current	1% Increase
5.14%	\$ 7,770,402	\$ 6,617,137	\$ 5,704,374

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	\$ 6,660,166	\$ 229,681	\$ 6,430,485
Changes for the year:			
Service cost	200,118	-	\$ 200,118
Interest	345,042	-	345,042
Changes in assumptions	(23,672)	-	(23,672)
Employer contributions	-	318,710	(318,710)
Net investment income (loss)	-	16,126	(16,126)
Benefit payments	(218,710)	(218,710)	-
Net changes	302,778	116,126	186,652
Balances at June 30, 2023	<u>\$ 6,962,944</u>	<u>\$ 345,807</u>	<u>\$ 6,617,137</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the Town recognized OPEB expense of \$300,445. Deferred outflows of resources and deferred inflows of resources related to OPEB on June 30, 2023, were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 26,513	\$ 446,538
Change in assumptions	278,433	978,427
Net difference between projected and actual earnings on OPEB plan investments	15,339	-
	<u>\$ 320,285</u>	<u>\$ 1,424,965</u>

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

Year Ended June 30,	Amount
2024	\$ (194,194)
2025	(231,511)
2026	(230,212)
2027	(270,867)
2028	(175,674)
Thereafter	(2,222)
Total	<u>\$ (1,104,680)</u>

Investment Custody – In accordance with Massachusetts General Laws, the Town Treasurer is the custodian of the OPEB Plan and since the Town has not designated a Board of Trustees, the Town Treasurer is also the Trustee and as such is responsible for the general supervision of the management, investment and reinvestment of the OPEB Plan assets. OPEB Plan assets may be

invested and reinvested by the custodian consistent with the prudent investor rule established in Chapter 203C and may, with the approval of the State Retiree Benefits Trust Fund Board of Trustees, be invested in the State Retiree Benefits Trust Fund established in Section 24 of Chapter 32A. OPEB Plan assets must be segregated from other funds and not be subject to the claims of any general creditor of the Town.

Investment Policy – The OPEB Plan follows the same investment policies that apply to all other Town Trust funds. Notably it can be invested in accordance with State Statutes that govern Trust investments including PRIM which is an external investment pool managed by the State.

Investment Rate of Return – For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 6.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

C. Risk Financing

The Town is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town also carries premium based insurance through commercial carriers for various employee benefits including health, worker's compensation, and unemployment compensation. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

D. Commitments and Contingencies – The Town is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability, if any, at June 30, 2023, cannot be ascertained, management believes that any resulting liability, if any, should not materially affect the basic financial statements of the Town at June 30, 2023.

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

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

E. Landfill Closure and Post-Closure Care Costs

The Town's landfill is operated by a private company. Under the agreement with the private company, the Town shares in the revenue of the operation. In fiscal year 2023, the Town realized approximately \$2.1 million for its share of the activity. In addition, pursuant to the agreement, the responsibility of covering the landfill and the post closure care costs are the responsibility of the private company. In the event the private company is unable to meet this obligation, the ultimate responsibility lies with the Town. No provision has been made in the Town's financial statement for this potential cost.

F. Implementation of New GASB Pronouncements

Current Year Implementations –

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement was to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement became effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2023). The adoption of this standard did not have a material impact on the Town's financial statements.

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement was to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The provisions of this Statement became effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The adoption of this standard did not have a material impact on the Town's financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement was to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement became effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The adoption of this standard did not have a material impact on the Town's financial statements.

Future Implementations –

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2023 (fiscal year 2024). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2023 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

Required Supplementary Information

TOWN OF WESTMINSTER, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
YEAR ENDED JUNE 30, 2023

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended December 31,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	1.42%	\$ 14,555,312	\$ 4,687,311	310.53%	48.20%
2021	1.41%	11,834,523	4,105,057	288.29%	56.20%
2020	1.43%	12,729,042	4,186,629	304.04%	50.30%
2019	1.42%	12,673,847	3,904,499	324.60%	47.36%
2018	1.46%	13,225,312	4,027,276	328.39%	43.05%
2017	1.45%	11,847,454	3,715,452	318.87%	46.40%
2016	1.45%	12,186,476	3,762,075	323.93%	42.00%
2015	1.45%	10,288,878	3,542,849	290.41%	44.52%
2014	1.31%	7,800,758	3,406,586	228.99%	47.94%

SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO PENSION PLAN

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 1,150,937	\$ 1,150,937	\$ -	\$ 4,757,621	24.19%
2022	1,039,322	1,039,322	-	4,166,633	24.94%
2021	963,834	963,834	-	4,249,428	22.68%
2020	866,935	866,935	-	3,963,066	21.88%
2019	812,024	812,024	-	4,087,685	19.87%
2018	735,164	735,164	-	3,771,184	19.49%
2017	706,734	706,734	-	3,818,506	18.51%
2016	652,087	652,087	-	3,595,992	18.13%
2015	518,056	518,056	-	3,457,685	14.98%

This schedule is presented to illustrate the requirement to show information for ten years.

However, until a full ten-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF WESTMINSTER, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEAR ENDED JUNE 30, 2023

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:							
Service cost	\$ 200,118	\$ 321,644	\$ 293,196	\$ 288,870	\$ 306,163	\$ 370,496	\$ 297,122
Interest	345,042	250,674	250,200	260,610	255,918	221,860	190,299
Differences between expected and actual experience	-	(524,274)	-	(225,318)	-	556,788	-
Changes in assumptions	(23,672)	(1,313,227)	288,452	108,347	444,788	(878,733)	-
Benefit payments	(218,710)	(216,008)	(190,022)	(178,659)	(134,530)	(115,041)	(104,323)
Net change in total OPEB liability	302,778	(1,481,191)	641,826	253,850	872,339	155,370	383,098
Total OPEB liability - beginning of year	6,660,166	8,141,357	7,499,531	7,245,681	6,373,342	6,217,972	5,834,874
Total OPEB liability - end of year (a)	<u>\$ 6,962,944</u>	<u>\$ 6,660,166</u>	<u>\$ 8,141,357</u>	<u>\$ 7,499,531</u>	<u>\$ 7,245,681</u>	<u>\$ 6,373,342</u>	<u>\$ 6,217,972</u>
Plan fiduciary net position:							
Contributions - employer	\$ 318,710	\$ 316,008	\$ 190,022	\$ 178,659	\$ 134,530	\$ 115,041	\$ 104,323
Net investment income	16,126	(34,140)	37,393	3,888	4,473	3,458	7,001
Differences between expected and actual experience	-	-	-	-	2,490	1,630	-
Other	-	-	-	-	-	-	162
Benefit payments	(218,710)	(216,008)	(190,022)	(178,659)	(134,530)	(115,041)	(104,323)
Net change in Plan fiduciary net position	116,126	65,860	37,393	3,888	6,963	5,088	7,163
Plan fiduciary net position - beginning of year	229,681	163,821	126,428	122,540	115,577	110,489	103,326
Plan fiduciary net position - end of year (b)	<u>\$ 345,807</u>	<u>\$ 229,681</u>	<u>\$ 163,821</u>	<u>\$ 126,428</u>	<u>\$ 122,540</u>	<u>\$ 115,577</u>	<u>\$ 110,489</u>
Net OPEB liability - end of year (a) - (b)	<u>\$ 6,617,137</u>	<u>\$ 6,430,485</u>	<u>\$ 7,977,536</u>	<u>\$ 7,373,103</u>	<u>\$ 7,123,141</u>	<u>\$ 6,257,765</u>	<u>\$ 6,107,483</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.97%	3.45%	2.01%	1.69%	1.69%	1.81%	1.78%
Covered-employee payroll	\$ 4,659,998	\$ 4,524,270	\$ 4,119,328	\$ 3,999,348	\$ 3,882,862	\$ 3,788,158	\$ 3,450,623
Net OPEB liability as a percentage of covered-employee payroll	142.00%	142.13%	193.66%	184.36%	183.45%	165.19%	177.00%

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

See accompanying independent auditor's report.

TOWN OF WESTMINSTER, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB
YEAR ENDED JUNE 30, 2023**

SCHEDULE OF CONTRIBUTIONS

	Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Actuarially-determined contribution	\$ 492,659	\$ 604,882	\$ 559,114	\$ 665,071	\$ 562,081	\$ 592,356	\$ 487,721
Contributions in relation to the actuarially-determined contribution	(318,710)	(316,008)	(190,022)	(178,659)	(134,530)	(115,041)	(104,323)
Contribution deficiency (excess)	<u>\$ 173,949</u>	<u>\$ 288,874</u>	<u>\$ 369,092</u>	<u>\$ 486,412</u>	<u>\$ 427,551</u>	<u>\$ 477,315</u>	<u>\$ 383,398</u>
Covered-employee payroll	\$ 4,659,998	\$ 4,524,270	\$ 4,119,328	\$ 3,999,348	\$ 3,882,862	\$ 3,788,158	\$ 3,695,764
Contribution as a percentage of covered-employee payroll	6.84%	6.98%	4.61%	4.47%	3.46%	3.04%	2.82%
Valuation date	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2014
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Investment rate of return	5.14%	5.11%	5.85%	6.72%	6.33%	6.33%	4.00%
Municipal bond rate	4.13%	4.09%	2.18%	2.66%	2.79%	3.45%	3.13%
Single equivalent discount rate	5.14%	5.11%	3.00%	3.25%	3.50%	3.87%	3.13%
Healthcare cost trend rates	4.5% to 3.6%	4.5% to 3.6%	4.50%	4.50%	8% to 5%	8% to 5%	8% to 5%
Salary increases	3.00%	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%
Inflation	2.50%	2.50%	2.50%	2.50%	2.00%	2.00%	2.00%
Actuarial cost method	Individual Entry Age Normal (for all years presented)						
Asset valuation method	Market value of assets as of reporting date (for all years presented)						

SCHEDULE OF INVESTMENT RETURNS

	Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	6.14%	-16.48%	29.58%	3.17%	6.02%	4.60%	6.78%

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

See accompanying independent auditor's report.

TOWN OF WESTMINSTER, MASSACHUSETTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary		Budgetary	Positive
	Budget	Budget	Amounts	Encumbrances	Adjusted	(Negative)
Revenues:						
Property taxes	\$ 19,127,688	\$ 19,112,688	\$ 19,314,524		\$ 19,314,524	\$ 201,836
Intergovernmental	1,140,826	1,140,826	1,029,468		1,029,468	(111,358)
Motor vehicle and other excises	1,310,000	1,310,000	1,604,115		1,604,115	294,115
Licenses and permits	389,000	389,000	315,658		315,658	(73,342)
Departmental and other revenue	204,895	204,895	247,451		247,451	42,556
Landfill revenue sharing	1,000,000	1,000,000	1,808,480		1,808,480	808,480
Penalties and interest on taxes	130,000	130,000	118,948		118,948	(11,052)
Fines and forfeitures	45,000	45,000	48,043		48,043	3,043
Investment income	12,000	12,000	69,288		69,288	57,288
Total Revenues	23,359,409	23,344,409	24,555,975		24,555,975	1,211,566
Expenditures:						
<i>General Government:</i>						
Select Board:						
Temporary labor	4,000	4,000	1,944	\$ -	1,944	2,056
Expenses	5,250	5,250	5,520	-	5,520	(270)
Copiers	12,000	12,000	11,061	-	11,061	939
Johnny Appleseed visitor center	10,000	10,000	10,000	-	10,000	-
	31,250	31,250	28,525	-	28,525	2,725
Town Administration:						
Salaries	148,604	148,604	147,604	-	147,604	1,000
Expenses	27,020	27,020	26,857	-	26,857	163
Articles	206,403	206,403	101,708	104,695	206,403	-
	382,027	382,027	276,169	104,695	380,864	1,163
Advisory Board:						
Expenses	650	650	650	-	650	-
	650	650	650	-	650	-
Reserve Fund:						
Expenses	98,400	76,650	-	-	-	76,650
	98,400	76,650	-	-	-	76,650
Accountant:						
Salaries	106,360	106,360	106,360	-	106,360	-
Expenses	37,900	37,900	31,599	-	31,599	6,301
	144,260	144,260	137,959	-	137,959	6,301
Assessors:						
Salaries	70,274	70,274	62,759	-	62,759	7,515
Expenses	20,964	20,964	16,038	-	16,038	4,926
	91,238	91,238	78,797	-	78,797	12,441
Revaluation:						
Articles	125,000	125,000	48,124	75,000	123,124	1,876
	125,000	125,000	48,124	75,000	123,124	1,876
Treasurer/Collector:						
Stipends	1,000	1,000	1,000	-	1,000	-
Salaries	162,789	162,789	151,466	-	151,466	11,323
Expenses	19,816	19,816	12,666	367	13,033	6,783
	183,605	183,605	165,132	367	165,499	18,106
Legal:						
Expenses	82,601	82,601	77,253	-	77,253	5,348
	82,601	82,601	77,253	-	77,253	5,348
Personnel Administration:						
Salaries	54,531	54,531	54,531	-	54,531	-
Expenses	19,810	19,810	17,824	96	17,920	1,890
	74,341	74,341	72,355	96	72,451	1,890

TOWN OF WESTMINSTER, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
Data Processing:						
Salaries	70,794	70,794	70,794	-	70,794	-
Expenses	121,600	121,600	120,888	-	120,888	712
	192,394	192,394	191,682	-	191,682	712
Town Clerk:						
Stipend	1,200	1,200	1,165	-	1,165	35
Salaries	91,208	91,208	83,124	-	83,124	8,084
Expenses	11,819	11,819	7,327	1,200	8,527	3,292
Articles	200	200	-	-	-	200
	104,427	104,427	91,616	1,200	92,816	11,611
Elections and Registrars:						
Stipend	700	700	700	-	700	-
Salaries	15,585	15,585	4,949	-	4,949	10,636
Expenses	21,725	21,725	19,427	-	19,427	2,298
	38,010	38,010	25,076	-	25,076	12,934
Conservation Commission:						
Salaries	40,846	40,846	30,681	-	30,681	10,165
Expenses	1,050	1,050	919	-	919	131
Articles	5,500	5,500	-	5,500	5,500	-
	47,396	47,396	31,600	5,500	37,100	10,296
Town Planner:						
Salaries	82,193	82,193	81,775	-	81,775	418
Expenses	4,500	4,500	4,183	-	4,183	317
	86,693	86,693	85,958	-	85,958	735
Planning Board:						
Salaries	2,000	2,000	442	-	442	1,558
Expenses	1,150	1,150	152	-	152	998
	3,150	3,150	594	-	594	2,556
Appeals Board:						
Salaries	1,000	1,000	475	-	475	525
Expenses	300	300	-	-	-	300
	1,300	1,300	475	-	475	825
Agricultural Commission:						
Expenses	500	500	-	-	-	500
	500	500	-	-	-	500
Economic Planning:						
Expenses	1,300	1,300	30	-	30	1,270
	1,300	1,300	30	-	30	1,270
Public Buildings and Property:						
Salaries	112,164	112,164	108,589	-	108,589	3,575
Expenses	253,400	275,150	264,175	-	264,175	10,975
Articles	319,899	369,899	210,127	159,772	369,899	-
	685,463	757,213	582,891	159,772	742,663	14,550
Town Report:						
Expenses	2,250	2,250	2,087	-	2,087	163
	2,250	2,250	2,087	-	2,087	163
Crocker Pond:						
Salaries	22,314	22,314	20,566	-	20,566	1,748
Expenses	8,475	8,475	7,617	-	7,617	858
Articles	1,500	1,500	-	1,500	1,500	-
	32,289	32,289	28,183	1,500	29,683	2,606
General and Liability Insurance:						
Expenses	285,500	285,500	271,563	-	271,563	13,937
	285,500	285,500	271,563	-	271,563	13,937
<i>Total General Government</i>	2,694,044	2,744,044	2,196,719	348,130	2,544,849	199,195

(continued)

TOWN OF WESTMINSTER, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
<i>Public Safety:</i>						
Police/Dispatch:						
Salaries	2,044,243	2,044,243	1,975,322	-	1,975,322	68,921
Expenses	340,844	340,844	298,104	-	298,104	42,740
Articles	376,127	376,127	133,829	242,298	376,127	-
	<u>2,761,214</u>	<u>2,761,214</u>	<u>2,407,255</u>	<u>242,298</u>	<u>2,649,553</u>	<u>111,661</u>
Fire Department:						
Salaries	1,006,274	1,006,274	939,310	-	939,310	66,964
Expenses	181,250	181,250	149,253	12,462	161,715	19,535
Articles	145,000	145,000	70,385	74,615	145,000	-
	<u>1,332,524</u>	<u>1,332,524</u>	<u>1,158,948</u>	<u>87,077</u>	<u>1,246,025</u>	<u>86,499</u>
Ambulance:						
Salaries	497,218	497,218	456,977	-	456,977	40,241
Expenses	158,308	158,308	123,158	7,514	130,672	27,636
Articles	47,683	99,683	90,076	7,307	97,383	2,300
	<u>703,209</u>	<u>755,209</u>	<u>670,211</u>	<u>14,821</u>	<u>685,032</u>	<u>70,177</u>
Building Department:						
Salaries	232,606	232,606	203,818	-	203,818	28,788
Expenses	20,000	20,000	14,454	-	14,454	5,546
	<u>252,606</u>	<u>252,606</u>	<u>218,272</u>	<u>-</u>	<u>218,272</u>	<u>34,334</u>
Animal Control:						
Expenses	40,700	40,700	32,640	-	32,640	8,060
	<u>40,700</u>	<u>40,700</u>	<u>32,640</u>	<u>-</u>	<u>32,640</u>	<u>8,060</u>
Tree Warden:						
Salaries	2,000	2,000	636	-	636	1,364
Expenses	33,200	33,200	33,200	-	33,200	-
	<u>35,200</u>	<u>35,200</u>	<u>33,836</u>	<u>-</u>	<u>33,836</u>	<u>1,364</u>
Emergency Management:						
Stipend	4,611	4,611	238	-	238	4,373
Expenses	14,863	14,863	13,214	-	13,214	1,649
	<u>19,474</u>	<u>19,474</u>	<u>13,452</u>	<u>-</u>	<u>13,452</u>	<u>6,022</u>
<i>Total Public Safety</i>	<u>5,144,927</u>	<u>5,196,927</u>	<u>4,534,614</u>	<u>344,196</u>	<u>4,878,810</u>	<u>318,117</u>
<i>Education:</i>						
Ashburnham-Westminster Regional School District:						
Expenses - assessment	11,179,216	11,179,216	10,488,753	-	10,488,753	690,463
	<u>11,179,216</u>	<u>11,179,216</u>	<u>10,488,753</u>	<u>-</u>	<u>10,488,753</u>	<u>690,463</u>
Montachusets Regional Vocational Technical H.S.						
Expenses - assessment	778,500	778,500	773,659	-	773,659	4,841
	<u>778,500</u>	<u>778,500</u>	<u>773,659</u>	<u>-</u>	<u>773,659</u>	<u>4,841</u>
Other Education:						
Articles	681,315	681,315	333,460	325,196	658,656	22,659
	<u>681,315</u>	<u>681,315</u>	<u>333,460</u>	<u>325,196</u>	<u>658,656</u>	<u>22,659</u>
<i>Total Education</i>	<u>12,639,031</u>	<u>12,639,031</u>	<u>11,595,872</u>	<u>325,196</u>	<u>11,921,068</u>	<u>717,963</u>
<i>Public Works:</i>						
Highway Administration:						
Salaries	331,152	331,152	329,915	-	329,915	1,237
	<u>331,152</u>	<u>331,152</u>	<u>329,915</u>	<u>-</u>	<u>329,915</u>	<u>1,237</u>
Highway Department:						
Salaries	641,498	641,498	611,442	-	611,442	30,056
Expenses	269,506	269,506	266,811	2,625	269,436	70
Articles	2,177,550	2,177,550	1,728,936	292,464	2,021,400	156,150
	<u>3,088,554</u>	<u>3,088,554</u>	<u>2,607,189</u>	<u>295,089</u>	<u>2,902,278</u>	<u>186,276</u>

TOWN OF WESTMINSTER, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
Snow and Ice Control:						
Salaries	77,000	132,000	130,467	-	130,467	1,533
Expenses	320,000	665,000	662,335	-	662,335	2,665
	397,000	797,000	792,802	-	792,802	4,198
Street Lighting:						
Expenses	26,000	26,000	20,773	-	20,773	5,227
	26,000	26,000	20,773	-	20,773	5,227
Cemetery Department:						
Salaries	168,217	168,217	134,365	-	134,365	33,852
Expenses	15,680	15,680	15,117	-	15,117	563
Articles	72,080	72,080	49,920	4,000	53,920	18,160
	255,977	255,977	199,402	4,000	203,402	52,575
<i>Total Public Works</i>	4,098,683	4,498,683	3,950,081	299,089	4,249,170	249,513
<i>Health and Human Services:</i>						
Health Department:						
Salaries	125,367	125,367	124,168	-	124,168	1,199
Expenses	19,860	19,860	14,748	584	15,332	4,528
	145,227	145,227	138,916	584	139,500	5,727
Council on Aging:						
Salaries	62,522	62,522	55,698	-	55,698	6,824
Expenses	21,178	21,178	21,178	-	21,178	-
	83,700	83,700	76,876	-	76,876	6,824
Veterans' Services:						
Salaries	17,000	17,000	16,830	-	16,830	170
	17,000	17,000	16,830	-	16,830	170
Veterans' Assistance:						
Expenses	91,000	91,000	50,570	500	51,070	39,930
	91,000	91,000	50,570	500	51,070	39,930
MART Transportation:						
Salaries	92,269	92,269	80,285	-	80,285	11,984
Expenses	12,250	12,250	6,912	-	6,912	5,338
	104,519	104,519	87,197	-	87,197	17,322
<i>Total Health and Human Services</i>	441,446	441,446	370,389	1,084	371,473	69,973
<i>Culture and Recreation:</i>						
Library:						
Salaries	309,618	309,618	309,491	-	309,491	127
Expenses	156,809	156,809	147,947	7,648	155,595	1,214
Articles	5,000	5,000	5,000	-	5,000	-
	471,427	471,427	462,438	7,648	470,086	1,341
Recreation Department:						
Salaries	27,380	27,380	21,080	-	21,080	6,300
Expenses	21,440	21,440	20,888	266	21,154	286
Articles	418	778	315	-	315	463
	49,238	49,598	42,283	266	42,549	7,049
Concerts:						
Expenses	3,000	3,000	3,000	-	3,000	-
	3,000	3,000	3,000	-	3,000	-
Hager Park Commission:						
Expenses	1,100	1,100	1,098	-	1,098	2
	1,100	1,100	1,098	-	1,098	2
Historical Commission:						
Expenses	1,280	1,280	1,280	-	1,280	-
Articles	2,000	2,000	1,018	982	2,000	-
	3,280	3,280	2,298	982	3,280	-

(continued)

TOWN OF WESTMINSTER, MASSACHUSETTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual		Actual	Variance
	Original	Final	Budgetary	Encumbrances	Budgetary	Positive
	Budget	Budget	Amounts		Adjusted	(Negative)
Memorial Day:						
Expenses	1,591	1,591	741	300	1,041	550
	1,591	1,591	741	300	1,041	550
Cultural and Other Services:						
Expenses	350	350	300	-	300	50
	350	350	300	-	300	50
<i>Total Culture and Recreation</i>	<i>529,986</i>	<i>530,346</i>	<i>512,158</i>	<i>9,196</i>	<i>521,354</i>	<i>8,992</i>
<i>State and County Assessments</i>	<i>68,555</i>	<i>68,555</i>	<i>68,535</i>	<i>-</i>	<i>68,535</i>	<i>20</i>
<i>Debt Service:</i>						
Debt principal	205,000	205,000	205,000	-	205,000	-
Debt interest	49,528	49,528	45,668	-	45,668	3,860
<i>Total Debt Service</i>	<i>254,528</i>	<i>254,528</i>	<i>250,668</i>	<i>-</i>	<i>250,668</i>	<i>3,860</i>
<i>Pension and Fringe Benefits:</i>						
Retirement:						
Contributory pension	1,172,145	1,172,145	1,150,937		1,150,937	21,208
	1,172,145	1,172,145	1,150,937		1,150,937	21,208
Group Health Insurance:						
Expenses	1,350,226	1,350,226	1,072,097	3,049	1,075,146	275,080
	1,350,226	1,350,226	1,072,097	3,049	1,075,146	275,080
Group Life Insurance:						
Expenses	4,700	4,700	3,480	-	3,480	1,220
	4,700	4,700	3,480	-	3,480	1,220
Unemployment/Workers' Compensation:						
Expenses	50,000	50,000	52,038	-	52,038	(2,038)
	50,000	50,000	52,038	-	52,038	(2,038)
Other employee benefits:						
Expenses	40,000	40,000	13,823	3,188	17,011	22,989
	40,000	40,000	13,823	3,188	17,011	22,989
<i>Total Pension and Fringe Benefits</i>	<i>2,617,071</i>	<i>2,617,071</i>	<i>2,292,375</i>	<i>6,237</i>	<i>2,298,612</i>	<i>318,459</i>
Total Expenditures	28,488,271	28,990,631	25,771,411	1,333,128	27,104,539	1,886,092
Other Financing Sources (Uses)						
Transfers in	3,130,377	3,197,377	3,202,734	-	3,202,734	5,357
Transfers out	(299,084)	(3,214,084)	(3,284,260)	-	(3,284,260)	(70,176)
Total Other Financing Sources (Uses)	2,831,293	(16,707)	(81,526)		\$ (81,526)	(64,819)
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures/Uses Of Prior Year Budgetary Fund Balance</i>	<i>(2,297,569)</i>	<i>(5,662,929)</i>	<i>\$ (1,296,962)</i>			<i>\$ 3,032,839</i>
Other Budgetary Items						
Use of unreserved fund balance	\$ 240,000	\$ 3,605,360				
Prior year encumbrances and articles	2,057,569	2,057,569				
Total other budgetary items	2,297,569	5,662,929				
Net budget and actual	\$ -	\$ -				

(Concluded)

The notes to the financial statements are an integral part of this statement.

The notes to the required supplementary information are and integral part of this statement.

TOWN OF WESTMINSTER, MASSACHUSETTS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2023

I. Pension Plan

Pension Contributions – The Town contributes to the Worcester Regional Retirement System (the System), a cost-sharing multiple-employer contributory defined benefit pension plan established under Chapter 32 of Massachusetts General Law Chapter 32. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method. The pension appropriations are established by the Public Employee Retirement Administration Commission (PERAC) based on a funding schedule approved by the System.

Changes in Assumptions – None noted.

II. Other Postemployment Benefit Plan

The Town administers a single employer defined benefit healthcare plan that provides health, dental and life insurance benefits (other postemployment benefits) to retirees and their dependents/beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B. The Town is not required to fully fund the actuarially determined contribution.

Methods and assumptions used to determine contribution rates are as follows:

Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market value of the assets as of June 30, 2023
Investment rate of return	5.14%, net of OPEB plan investment expense, including inflation
Single Equivalent Discount Rate	5.14%, net of OPEB plan investment expense, including inflation
Inflation	2.5% as of June 30, 2023 and for future periods.
Health Care Trend Rate	4.5%, trending down to 3.6% in 2061
Salary Increases	3.0% annually as of June 30, 2023 and for future periods.
Mortality:	
Pre-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Post-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females
Disabled Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year

III. Budgetary Basis of Accounting

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

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. During fiscal year 2023, the Town Meeting approved supplemental appropriations totaling approximately \$3.4 million, which were primarily for public works (approximately \$0.4 million) and stabilization fund transfers (approximately \$2.8 million).

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

Budgetary-to-GAAP Reconciliation – The Town’s general fund is prepared on a basis other than GAAP. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2023, is as follows:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenue on a budgetary basis			\$ 24,555,975
Revenue recognition	\$ 33,605	\$ -	33,605
Stabilization revenues	-	493,859	493,859
Revenue on a GAAP basis	<u>\$ 33,605</u>	<u>\$ 493,859</u>	<u>\$ 25,083,439</u>
Expenditures on a budgetary basis			\$ 25,771,411
Enterprise funds indirect costs	\$ -	\$ (466,672)	(466,672)
OPEB contributions	-	100,000	100,000
Expenditures on a GAAP basis	<u>\$ -</u>	<u>\$ (366,672)</u>	<u>\$ 25,404,739</u>
Transfers on a budgetary basis (net)			\$ (81,526)
Enterprise funds indirect costs	\$ -	\$ (466,672)	(466,672)
OPEB contributions	-	100,000	100,000
Stabilization transfers	-	907,427	907,427
Transfers on a GAAP basis (net)	<u>\$ -</u>	<u>\$ 540,755</u>	<u>\$ 459,229</u>



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Combining Statements



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Nonmajor Governmental Funds

Special Revenue Funds – are used to account for certain revenue generating activities that are legally and/or programmatically restricted to expenditures for a specific purpose. From the Town's financial ledgers, these activities can be distinctly categorized into the following groupings:

Revolving Funds – This fund accounts for activity within revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and other applicable statutes.

Grants – This fund accounts for grant programs received directly from Federal or State agencies.

Ambulance – This segregated revolving fund accounts for the activities of the Town's ambulatory activities.

Receipts Reserved for Appropriation – This fund accounts for receipts collected that are by law reserved for appropriations in the General Fund.

Gifts and Other Funds – This fund accounts for donated monies which relate to all Town activities.

Permanent Funds – are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs. From the Town's financial ledgers, these activities can be distinctly categorized into the following groupings:

Cemetery Trust Funds – This fund accounts for contributions earmarked for the perpetual care and maintenance of cemetery facilities and property.

Other Trust Funds – This fund accounts for all contributions including: gifts, donations and bequests for which only earnings on the original trust corpus may be expended to benefit government approved programs, other than those associated with cemetery activities.

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2023

	Special Revenue Funds		
	Revolving Funds	Grants	Ambulance
Assets:			
Cash and short-term investments	\$ 239,747	\$ 84,961	\$ 1,623,321
Investments	-	-	-
Receivables, net of allowance for doubtful accounts:			
Betterments	111,539	-	-
Other	29,088	-	260,719
Intergovernmental	-	27,267	-
Total Assets	<u>380,374</u>	<u>112,228</u>	<u>1,884,040</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 380,374</u></u>	<u><u>\$ 112,228</u></u>	<u><u>\$ 1,884,040</u></u>
Liabilities:			
Warrants and accounts payable	<u>\$ 17,613</u>	<u>\$ 16,179</u>	<u>\$ -</u>
Total Liabilities	17,613	16,179	-
Deferred Inflows of Resources			
Unavailable revenue - other	<u>140,627</u>	<u>-</u>	<u>260,719</u>
Total Deferred Inflows of Resources	140,627	-	260,719
Fund Balances:			
Nonspendable	-	-	-
Restricted	236,985	134,453	1,623,321
Unassigned	<u>(14,851)</u>	<u>(38,404)</u>	<u>-</u>
Total Fund Balances	222,134	96,049	1,623,321
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 380,374</u></u>	<u><u>\$ 112,228</u></u>	<u><u>\$ 1,884,040</u></u>

Receipts Reserved for Appropriation	Gifts and Other Funds	Sub-total Special Revenue Funds
\$ 119,250	\$ 131,212	\$ 2,198,491
-	-	-
-	-	111,539
-	-	289,807
-	-	27,267
119,250	131,212	2,627,104
-	-	-
<u>\$ 119,250</u>	<u>\$ 131,212</u>	<u>\$ 2,627,104</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,792</u>
-	-	33,792
-	-	401,346
-	-	401,346
-	-	-
119,250	131,212	2,245,221
-	-	(53,255)
119,250	131,212	2,191,966
<u>\$ 119,250</u>	<u>\$ 131,212</u>	<u>\$ 2,627,104</u>

(Continued)

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
JUNE 30, 2023

	Permanent Funds			Total
	Cemetery Trust Funds	Other Trust Funds	Sub-total Permanent Funds	Nonmajor Governmental Funds
Assets:				
Cash and short-term investments	\$ -	\$ -	\$ -	\$ 2,198,491
Investments	347,443	126,347	473,790	473,790
Receivables, net of allowance for uncollectibles				
Betterments	-	-	-	111,539
Other	-	-	-	289,807
Intergovernmental	-	-	-	27,267
Total Assets	<u>347,443</u>	<u>126,347</u>	<u>473,790</u>	<u>3,100,894</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 347,443</u></u>	<u><u>\$ 126,347</u></u>	<u><u>\$ 473,790</u></u>	<u><u>\$ 3,100,894</u></u>
Liabilities:				
Warrants and accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,792</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,792</u>
Deferred Inflows of Resources				
Unavailable revenue - other	<u>-</u>	<u>-</u>	<u>-</u>	<u>401,346</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>401,346</u>
Fund Balances:				
Nonspendable	292,301	47,299	339,600	339,600
Restricted	55,142	79,048	134,190	2,379,411
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,255)</u>
Total Fund Balances	<u>347,443</u>	<u>126,347</u>	<u>473,790</u>	<u>2,665,756</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 347,443</u></u>	<u><u>\$ 126,347</u></u>	<u><u>\$ 473,790</u></u>	<u><u>\$ 3,100,894</u></u>



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NONMAJOR GOVERNMENTAL FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds		
	Revolving Funds	Grants	Ambulance
Revenues:			
Intergovernmental	\$ -	\$ 446,319	\$ -
Departmental and other revenue	547,145	-	488,252
Investment income	1	-	-
Contributions and donations	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	547,146	446,319	488,252
	<hr/>	<hr/>	<hr/>
Expenditures:			
General government	220,986	229,361	-
Public safety	314,988	52,070	-
Public works	-	84,221	-
Health and human services	7,988	36,280	-
Culture and recreation	-	27,363	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	543,962	429,295	-
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,184	17,024	488,252
Other Financing Sources (Uses):			
Transfers in	-	4,000	70,176
Transfers out	(17,884)	(5,357)	(746,469)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(17,884)	(1,357)	(676,293)
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(14,700)	15,667	(188,041)
Fund Balances - Beginning of Year, as restated	236,834	80,382	1,811,362
	<hr/>	<hr/>	<hr/>
Fund Balances - End of Year	\$ 222,134	\$ 96,049	\$ 1,623,321
	<hr/>	<hr/>	<hr/>

Receipts Reserved for Appropriation	Gifts and Other Funds	Sub-total Special Revenue Funds
\$ -	\$ -	\$ 446,319
17,008	-	1,052,405
-	-	1
3,614	16,580	20,194
20,622	16,580	1,518,919
-	20,607	470,954
1,654	1,902	370,614
-	-	84,221
-	7,474	51,742
-	1,395	28,758
1,654	31,378	1,006,289
18,968	(14,798)	512,630
-	-	74,176
(3,000)	-	(772,710)
(3,000)	-	(698,534)
15,968	(14,798)	(185,904)
103,282	146,010	2,377,870
\$ 119,250	\$ 131,212	\$ 2,191,966

(Continued)

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023

	Permanent Funds			Total
	Cemetery Trust Funds	Other Trust Funds	Sub-total Permanent Funds	Nonmajor Governmental Funds
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 446,319
Departmental and other revenue	-	-	-	1,052,405
Investment income	8,505	2,186	10,691	10,692
Contributions and donations	5,600	4,737	10,337	30,531
Total Revenues	14,105	6,923	21,028	1,539,947
Expenditures:				
General government	-	-	-	470,954
Public safety	-	4,970	4,970	375,584
Public works	5,593	-	5,593	89,814
Health and human services	-	-	-	51,742
Culture and recreation	-	250	250	29,008
Total Expenditures	5,593	5,220	10,813	1,017,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,512	1,703	10,215	522,845
Other Financing Sources (Uses):				
Transfers in	-	5,000	5,000	79,176
Transfers out	-	-	-	(772,710)
Total Other Financing Sources (Uses)	-	5,000	5,000	(693,534)
Net Change in Fund Balance	8,512	6,703	15,215	(170,689)
Fund Balances - Beginning of Year	338,931	119,644	458,575	2,836,445
Fund Balances - End of Year	\$ 347,443	\$ 126,347	\$ 473,790	\$ 2,665,756

STATISTICAL SECTION



Tis the season for celebration. Above is an old classic truck decorated with Christmas lights commemorating the holiday season.



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Statistical Section

This part of the comprehensive annual financial report presents information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt, and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the financial statements for the relevant year.



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NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets.....	\$ 49,929,918	\$ 46,950,057	\$ 46,634,512	\$ 46,312,217	\$ 45,421,559	\$ 44,850,894	\$ 44,122,614	\$ 43,876,053	\$ 44,599,652	\$ 45,146,373
Restricted.....	1,869,240	2,273,002	2,252,036	2,751,845	3,397,576	3,954,318	4,428,545	5,127,934	5,152,705	4,705,411
Unrestricted.....	<u>1,974,679</u>	<u>(1,764,041)</u>	<u>992,818</u>	<u>2,437,725</u>	<u>2,565,919</u>	<u>3,975,946</u>	<u>5,236,183</u>	<u>5,764,479</u>	<u>7,080,615</u>	<u>7,724,624</u>
Total governmental activities net position.....	<u>\$ 53,773,837</u>	<u>\$ 47,459,018</u>	<u>\$ 49,879,366</u>	<u>\$ 51,501,787</u>	<u>\$ 51,385,054</u>	<u>\$ 52,781,158</u>	<u>\$ 53,787,342</u>	<u>\$ 54,768,466</u>	<u>\$ 56,832,972</u>	<u>\$ 57,576,408</u>
Business-type activities:										
Net investment in capital assets.....	\$ 4,902,196	\$ 4,724,662	\$ 5,123,703	\$ 5,405,339	\$ 5,712,307	\$ 6,053,332	\$ 5,700,417	\$ 5,905,529	\$ 6,804,591	\$ 6,468,627
Unrestricted.....	<u>2,647,856</u>	<u>2,373,179</u>	<u>2,263,738</u>	<u>2,336,945</u>	<u>2,009,302</u>	<u>2,009,557</u>	<u>2,602,534</u>	<u>3,719,365</u>	<u>2,808,993</u>	<u>2,957,677</u>
Total business-type activities net position.....	<u>\$ 7,550,052</u>	<u>\$ 7,097,841</u>	<u>\$ 7,387,441</u>	<u>\$ 7,742,284</u>	<u>\$ 7,721,609</u>	<u>\$ 8,062,889</u>	<u>\$ 8,302,951</u>	<u>\$ 9,624,894</u>	<u>\$ 9,613,584</u>	<u>\$ 9,426,304</u>
Primary government:										
Net investment in capital assets.....	\$ 54,832,114	\$ 51,674,719	\$ 51,758,215	\$ 51,717,556	\$ 51,133,866	\$ 50,904,226	\$ 49,823,031	\$ 49,781,582	\$ 51,404,243	\$ 51,615,000
Restricted.....	1,869,240	2,273,002	2,252,036	2,751,845	3,397,576	3,954,318	4,428,545	5,127,934	5,152,705	4,705,411
Unrestricted.....	<u>4,622,535</u>	<u>609,138</u>	<u>3,256,556</u>	<u>4,774,670</u>	<u>4,575,221</u>	<u>5,985,503</u>	<u>7,838,717</u>	<u>9,483,844</u>	<u>9,889,608</u>	<u>10,682,301</u>
Total primary government net position.....	<u>\$ 61,323,889</u>	<u>\$ 54,556,859</u>	<u>\$ 57,266,807</u>	<u>\$ 59,244,071</u>	<u>\$ 59,106,663</u>	<u>\$ 60,844,047</u>	<u>\$ 62,090,293</u>	<u>\$ 64,393,360</u>	<u>\$ 66,446,556</u>	<u>\$ 67,002,712</u>

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses -										
Governmental activities:										
General government.....	\$ 2,299,786	\$ 1,699,295	\$ 1,995,679	\$ 2,011,492	\$ 2,224,334	\$ 2,341,454	\$ 2,357,459	\$ 2,827,158	\$ 2,594,251	\$ 2,927,242
Public safety.....	3,799,848	4,031,155	4,756,514	4,691,607	5,238,931	5,387,435	5,596,276	5,818,957	5,535,557	6,297,271
Education.....	9,339,211	9,699,527	9,703,655	9,882,182	11,014,991	11,083,516	11,625,836	12,066,611	12,213,857	12,285,872
Public works.....	3,824,053	3,879,584	3,815,771	4,385,864	3,977,627	4,129,978	4,099,885	4,045,862	4,132,530	4,376,014
Culture and recreation.....	579,209	577,144	688,733	675,224	708,683	601,653	642,323	612,443	758,055	794,056
Health and human services.....	392,094	441,988	552,943	616,537	684,384	714,158	735,166	723,154	572,129	632,089
Interest.....	80,581	70,829	101,185	81,339	62,755	58,571	77,679	60,800	48,596	45,668
Total government activities expenses.....	20,314,782	20,399,522	21,614,480	22,344,245	23,911,705	24,316,765	25,134,624	26,154,985	25,854,975	27,358,212
Business-type activities:										
Water.....	555,767	796,582	796,590	808,419	829,287	869,669	844,205	894,402	905,313	1,061,128
Sewer.....	1,004,735	1,155,516	1,054,839	1,125,388	1,207,977	1,407,180	1,424,766	1,441,336	1,549,508	1,496,875
Total business-type activities expenses.....	1,560,502	1,952,098	1,851,429	1,933,807	2,037,264	2,276,849	2,268,971	2,335,738	2,454,821	2,558,003
Total primary government expenses.....	\$ 21,875,284	\$ 22,351,620	\$ 23,465,909	\$ 24,278,052	\$ 25,948,969	\$ 26,593,614	\$ 27,403,595	\$ 28,490,723	\$ 28,309,796	\$ 29,916,215
Program Revenues -										
Governmental activities:										
Charges for services:										
General government.....	\$ 196,252	\$ 137,682	\$ 159,924	\$ 166,327	\$ 197,538	\$ 317,414	\$ 321,909	\$ 529,559	\$ 353,661	\$ 374,040
Public safety.....	578,096	461,906	771,236	773,607	844,444	1,176,146	1,097,726	1,410,428	985,940	1,278,672
Public works.....	403,075	430,897	401,822	465,268	372,055	280,650	268,189	60,005	44,125	41,655
Health and human services.....	139,947	125,490	133,662	110,065	94,419	165,895	118,119	100,953	123,518	113,100
Culture and recreation.....	5,980	6,282	9,173	6,129	6,129	4,471	2,490	741	2,189	1,736
Operating grants and contributions.....	245,464	193,264	271,715	209,773	132,811	265,017	239,622	464,549	1,193,532	1,149,314
Capital grants and contributions.....	614,585	820,874	638,970	317,821	283,433	504,815	442,920	142,214	872,104	701,528
Total government activities program revenues.....	2,183,399	2,176,395	2,386,502	2,048,990	1,930,829	2,714,408	2,490,975	2,708,449	3,575,069	3,660,045
Business-type activities:										
Charges for services.....	1,585,966	1,673,503	1,780,507	1,892,603	1,872,852	2,057,255	2,203,062	2,077,775	2,343,573	2,246,916
Operating grants and contributions.....	103,358	99,757	134,041	104,023	61,018	85,211	145,419	88,295	-	-
Capital grants and contributions.....	-	-	-	-	-	216,318	-	254,682	-	-
Total business-type activities program revenues.....	1,689,324	1,773,260	1,914,548	1,996,626	1,933,870	2,358,784	2,348,481	2,420,752	2,343,573	2,246,916
Total primary government program revenues.....	\$ 3,872,723	\$ 3,949,655	\$ 4,301,050	\$ 4,045,616	\$ 3,864,699	\$ 5,073,192	\$ 4,839,456	\$ 5,129,201	\$ 5,918,642	\$ 5,906,961
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (18,131,383)	\$ (18,223,127)	\$ (19,227,978)	\$ (20,295,255)	\$ (21,980,876)	\$ (21,602,357)	\$ (22,643,649)	\$ (23,446,536)	\$ (22,279,906)	\$ (23,698,167)
Business-type activities.....	128,822	(178,838)	63,119	62,819	(103,394)	81,935	79,510	85,014	(111,248)	(311,087)
Total primary government net (expense)/program revenue.....	\$ (18,002,561)	\$ (18,401,965)	\$ (19,164,859)	\$ (20,232,436)	\$ (22,084,270)	\$ (21,520,422)	\$ (22,564,139)	\$ (23,361,522)	\$ (22,391,154)	\$ (24,009,254)

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and other Changes in Net Position -										
Governmental activities:										
Real estate and personal property taxes,										
net of tax refunds payable.....	\$ 15,565,988	\$ 15,383,126	\$ 16,487,861	\$ 16,246,616	\$ 17,326,834	\$ 16,778,517	\$ 18,017,118	\$ 19,829,450	\$ 19,744,821	\$ 19,215,938
Motor vehicle excise taxes.....	1,175,175	1,107,118	1,380,567	1,403,453	1,411,143	1,400,597	1,376,657	1,468,503	1,493,126	1,545,854
Penalties and interest on taxes.....	182,228	131,766	172,356	157,705	150,942	254,492	112,065	164,051	136,540	118,948
Grants and contributions not restricted to specific programs.....	811,623	709,804	726,003	755,291	784,882	807,280	841,605	847,866	890,733	978,151
Unrestricted investment income (loss).....	12,575	70,627	180,850	69,217	(30,613)	660,985	526,177	568,597	(283,563)	592,025
Landfill revenue sharing.....	1,018,307	1,811,675	2,895,212	3,450,019	3,434,610	3,310,339	2,899,808	2,803,415	2,456,214	2,081,655
Transfers.....	114,360	(198,997)	(194,523)	(164,625)	(235,106)	(213,749)	(123,597)	(1,227,660)	(93,459)	(90,968)
Total governmental activities.....	18,880,256	19,015,119	21,648,326	21,917,676	22,842,692	22,998,461	23,649,833	24,454,222	24,344,412	24,441,603
Business-type activities:										
Grants and contributions not restricted to specific programs.....	37,376	33,477	29,154	24,924	20,299	15,488	10,514	3,527	363	-
Unrestricted investment income.....	5,238	3,563	2,804	2,475	10,386	30,108	26,441	5,742	6,116	32,839
Transfers.....	(114,360)	198,997	194,523	164,625	235,106	213,749	123,597	1,227,660	93,459	90,968
Total business-type activities.....	(71,746)	236,037	226,481	192,024	265,791	259,345	160,552	1,236,929	99,938	123,807
Total primary government general revenues and other										
changes in net position.....	\$ 18,808,510	\$ 19,251,156	\$ 21,874,807	\$ 22,109,700	\$ 23,108,483	\$ 23,257,806	\$ 23,810,385	\$ 25,691,151	\$ 24,444,350	\$ 24,565,410
Changes in Net Position										
Governmental activities.....	\$ 748,873	\$ 791,992	\$ 2,420,348	\$ 1,622,421	\$ 861,816	\$ 1,396,104	\$ 1,006,184	\$ 1,007,686	\$ 2,064,506	\$ 743,436
Business-type activities.....	57,076	57,199	289,600	254,843	162,397	341,280	240,062	1,321,943	(11,310)	(187,280)
Total primary government changes in net position.....	\$ 805,949	\$ 849,191	\$ 2,709,948	\$ 1,877,264	\$ 1,024,213	\$ 1,737,384	\$ 1,246,246	\$ 2,329,629	\$ 2,053,196	\$ 556,156

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund:										
Restricted.....	\$ -	\$ 12,669	\$ 11,207	\$ 9,829	\$ 8,531	\$ 7,314	\$ 6,178	\$ 5,123	\$ 4,148	\$ 3,255
Committed.....	732,300	391,193	655,737	583,803	949,527	860,551	1,343,510	1,319,187	1,988,101	1,293,329
Assigned.....	25,760	273,543	273,702	319,838	290,803	344,653	339,420	351,403	309,468	678,799
Unassigned.....	<u>6,390,991</u>	<u>7,527,039</u>	<u>11,004,894</u>	<u>13,958,977</u>	<u>16,763,203</u>	<u>19,530,874</u>	<u>21,459,664</u>	<u>23,039,646</u>	<u>24,375,022</u>	<u>24,839,285</u>
Total general fund.....	<u>\$ 7,149,051</u>	<u>\$ 8,204,444</u>	<u>\$ 11,945,540</u>	<u>\$ 14,872,447</u>	<u>\$ 18,012,064</u>	<u>\$ 20,743,392</u>	<u>\$ 23,148,772</u>	<u>\$ 24,715,359</u>	<u>\$ 26,676,739</u>	<u>\$ 26,814,668</u>
All Other Governmental Funds:										
Nonspendable.....	\$ 295,597	\$ 299,312	\$ 302,750	\$ 309,050	\$ 312,175	\$ 315,700	\$ 321,300	\$ 328,800	\$ 334,000	\$ 339,600
Committed.....	-	70,193	205,000	117,098	-	-	-	-	-	-
Restricted.....	1,752,423	1,973,690	2,063,638	2,432,966	2,934,418	3,638,618	4,107,245	4,637,173	4,691,930	4,716,413
Unassigned.....	<u>(2,941,046)</u>	<u>(468,164)</u>	<u>(343,193)</u>	<u>(342,009)</u>	<u>(118,668)</u>	<u>(694,307)</u>	<u>(788,098)</u>	<u>(596,371)</u>	<u>(550,554)</u>	<u>(253,332)</u>
Total all other governmental funds....	<u>\$ (893,026)</u>	<u>\$ 1,875,031</u>	<u>\$ 2,228,195</u>	<u>\$ 2,517,105</u>	<u>\$ 3,127,925</u>	<u>\$ 3,260,011</u>	<u>\$ 3,640,447</u>	<u>\$ 4,369,602</u>	<u>\$ 4,475,376</u>	<u>\$ 4,802,681</u>

(continued)

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Real estate and personal property taxes,										
net of tax refunds.....	\$ 15,593,139	\$ 15,325,727	\$ 16,468,964	\$ 16,327,723	\$ 17,413,227	\$ 16,919,504	\$ 18,043,731	\$ 19,952,955	\$ 20,008,925	\$ 19,300,333
Intergovernmental.....	1,583,606	1,623,910	1,610,552	1,249,473	1,173,569	1,500,027	1,493,816	1,353,895	2,917,844	2,798,462
Motor vehicle and other excise taxes.....	1,142,011	1,130,725	1,376,895	1,346,016	1,371,580	1,416,919	1,396,534	1,395,739	1,512,180	1,604,115
Departmental and other.....	934,154	918,783	1,022,573	1,045,186	758,170	1,344,387	1,291,602	1,514,410	1,273,899	1,319,936
Licenses and permits.....	258,340	252,358	385,446	431,888	339,328	398,994	474,299	466,475	415,255	315,658
Penalties and interest on taxes.....	182,228	131,766	172,356	157,705	150,942	254,492	112,065	164,051	136,540	118,948
Landfill revenue sharing.....	1,018,307	1,811,675	2,895,212	3,450,019	3,726,501	3,310,339	2,899,808	2,803,415	2,456,214	2,081,655
Fines and forfeitures.....	103,805	55,139	48,061	50,616	69,500	85,378	56,037	36,109	49,274	48,043
Investment income (loss).....	12,575	70,627	180,850	69,217	(30,613)	660,985	526,177	568,597	(283,563)	592,025
Contributions.....	86,414	100,032	26,136	33,411	27,557	77,085	30,331	100,734	38,525	30,531
Total Revenue.....	<u>20,914,579</u>	<u>21,420,742</u>	<u>24,187,045</u>	<u>24,161,254</u>	<u>24,999,761</u>	<u>25,968,110</u>	<u>26,324,400</u>	<u>28,356,380</u>	<u>28,525,093</u>	<u>28,209,706</u>
Expenditures:										
General government.....	1,796,571	1,305,292	1,422,850	1,408,463	1,579,220	1,654,432	1,696,121	2,147,158	2,026,130	2,295,490
Public safety.....	2,797,836	2,852,767	2,973,542	3,168,766	3,253,810	3,304,191	3,624,110	3,913,500	3,975,376	4,474,342
Education.....	9,331,420	9,699,527	9,703,655	9,882,182	11,014,991	11,083,516	11,625,836	12,066,611	12,213,857	12,285,872
Public works.....	2,053,796	1,936,227	1,715,877	1,964,813	1,807,729	1,894,357	1,887,923	1,853,156	1,993,058	2,101,984
Health and human services.....	307,423	329,548	340,250	394,194	457,442	358,355	418,369	389,157	380,137	422,131
Culture and recreation.....	252,505	408,331	447,252	425,290	450,710	451,942	481,596	469,129	539,878	541,166
Pension and fringe benefits.....	1,187,836	1,221,123	1,514,076	1,534,801	1,654,999	1,715,081	1,767,290	1,848,994	2,092,863	2,226,265
State and county charges.....	58,525	58,808	54,785	59,308	59,712	61,212	62,562	66,632	65,565	68,535
Capital outlay.....	3,672,131	1,975,943	1,059,690	1,301,656	1,100,632	2,119,290	1,568,501	1,786,279	2,824,020	2,987,051
Debt service:										
Principal.....	543,348	370,000	565,100	560,000	190,000	190,000	205,000	205,000	205,000	205,000
Interest.....	80,581	70,829	101,185	81,339	62,755	58,571	77,679	60,800	48,596	45,668
Total Expenditures.....	<u>22,081,972</u>	<u>20,228,395</u>	<u>19,898,262</u>	<u>20,780,812</u>	<u>21,632,000</u>	<u>22,890,947</u>	<u>23,414,987</u>	<u>24,806,416</u>	<u>26,364,480</u>	<u>27,653,504</u>
Excess of revenues over (under) expenditures.....	<u>(1,167,393)</u>	<u>1,192,347</u>	<u>4,288,783</u>	<u>3,380,442</u>	<u>3,367,761</u>	<u>3,077,163</u>	<u>2,909,413</u>	<u>3,549,964</u>	<u>2,160,613</u>	<u>556,202</u>
Other Financing Sources (Uses):										
Issuance of bonds and notes.....	-	-	-	-	300,000	-	-	-	-	-
Transfers in.....	907,840	907,840	968,593	392,702	510,086	454,902	888,549	688,926	897,526	1,109,665
Transfers out.....	<u>(793,480)</u>	<u>(793,480)</u>	<u>(1,163,116)</u>	<u>(557,327)</u>	<u>(745,192)</u>	<u>(668,651)</u>	<u>(1,012,146)</u>	<u>(1,916,586)</u>	<u>(990,985)</u>	<u>(1,200,633)</u>
Total other financing sources (uses).....	<u>114,360</u>	<u>114,360</u>	<u>(194,523)</u>	<u>(164,625)</u>	<u>64,894</u>	<u>(213,749)</u>	<u>(123,597)</u>	<u>(1,227,660)</u>	<u>(93,459)</u>	<u>(90,968)</u>
Net change in fund balance.....	<u>\$ (1,053,033)</u>	<u>\$ 1,306,707</u>	<u>\$ 4,094,260</u>	<u>\$ 3,215,817</u>	<u>\$ 3,432,655</u>	<u>\$ 2,863,414</u>	<u>\$ 2,785,816</u>	<u>\$ 2,322,304</u>	<u>\$ 2,067,154</u>	<u>\$ 465,234</u>
Debt service as a percentage of noncapital expenditures.....	3.39%	2.42%	3.54%	3.29%	1.23%	1.20%	1.29%	1.15%	1.08%	1.02%

(concluded)

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASSIFICATION AND TAX RATES

LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value								Tax Rates		
	Residential Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Total Town Value	State Equalized Value	Ratio of Assessed to Equalized Value	Residential Tax Rate	Commercial Tax Rate	Average Tax Rate
2014	\$ 671,911,992	\$ 55,826,616	\$ 50,771,200	\$ 42,105,644	\$ 148,703,460	\$ 820,615,452	\$ 889,315,600	92.27%	18.98	18.98	18.98
2015	678,436,152	55,969,210	50,485,300	48,209,073	154,663,583	833,099,735	856,074,400	97.32%	18.95	18.95	18.95
2016	698,990,425	58,226,465	51,418,100	56,007,113	165,651,678	864,642,103	856,074,400	101.00%	18.78	18.78	18.78
2017	752,012,707	59,452,504	44,031,800	57,746,203	161,230,507	913,243,214	922,494,100	99.00%	18.19	18.19	18.19
2018	778,049,385	59,644,648	44,626,500	63,439,671	167,710,819	945,760,204	922,494,100	102.52%	18.55	18.55	18.55
2019	831,418,698	58,412,338	40,649,200	45,613,681	144,675,219	976,093,917	1,012,450,300	96.41%	18.25	18.25	18.25
2020	905,123,199	58,827,717	40,472,000	45,192,458	144,492,175	1,049,615,374	1,012,450,300	103.67%	17.55	17.55	17.55
2021	993,658,799	59,143,572	40,123,400	49,645,123	148,912,095	1,142,570,894	1,117,484,000	102.24%	16.76	16.76	16.76
2022	1,090,348,815	60,114,752	41,424,400	52,747,915	154,287,067	1,244,635,882	1,117,484,000	111.38%	15.80	15.80	15.80
2023	1,320,662,954	60,189,714	42,692,800	56,566,283	159,448,797	1,480,111,751	1,330,013,700	111.29%	13.06	13.06	13.06

Source: Official Statements, State Division of Local Services

Note: All property in the Commonwealth of Massachusetts is assessed at 100% of full and fair cash value. The State estimates this "equalized valuation" for all municipalities every two years. Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2% of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2%, subject to an exception for property added to the tax rolls and for certain valuation increases. This secondary limit may be exceeded in any fiscal year by majority approval of the voters, however, it cannot exceed the primary limitation.

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Nature of Business	2023			2014		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Babar LLC Trustee - Aubuchon	Warehouse	\$ 10,752,000	1	0.73%	\$ 9,961,500	3	1.21%
100 Simplex LLC (NIP Owner LLC)	Commercial/Ind. Developers	9,388,200	2	0.63%	16,000,000	1	1.95%
Waterstone Properties (Arrowhead LP)	Commercial Office Space	9,299,100	3	0.63%	11,746,025	2	1.43%
Wachusett Mountain Assoc.	Ski Area	6,843,100	4	0.46%	6,118,600	5	0.75%
Waste Management	Methane Plant/Landfill	5,640,058	5	0.38%	8,300,000	4	1.01%
Westminster Owner LLC	Industrial Land	4,973,300	6	0.34%			
Ranor, Inc.	Manufacturing	4,715,100	7	0.32%	4,076,200	6	0.50%
UGPG RE Westminster LLC	Industrial Land	4,063,900	8	0.27%			
Illinois Tool Works (TRW, Inc.)	Plastic Fasteners	4,039,900	9	0.27%	2,927,200	9	0.36%
Recovery Centers of America	Substance Abuse Treatment Center	3,632,400	10	0.25%			
Fitchburg Welding	Welding				2,557,400	10	0.31%
Pine Tree Power	Power Generation				3,879,000	7	0.47%
Wachusett Village Inn	Hotel & Restaurant				3,819,900	8	0.47%
	Totals	\$ 63,347,058		4.28%	\$ 69,385,825		8.46%

Source: Official Statements

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy			Collections				Percent of Total Tax Collections to Net Tax Levy
	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	
2014	\$ 15,575,281	\$ 350,999	\$ 15,224,282	\$ 15,064,933	98.95%	\$ 159,349	\$ 15,224,282	100.00%
2015	15,787,240	426,605	15,360,635	15,360,635	100.00%	-	15,360,635	100.00%
2016	16,237,979	395,755	15,842,224	15,770,481	99.55%	2,468	15,772,949	99.56%
2017	16,611,894	302,597	16,309,297	16,156,931	99.07%	152,366	16,309,297	100.00%
2018	17,543,852	2,126	17,541,726	17,012,733	96.98%	72,613	17,085,346	97.40%
2019	17,813,714	3,013	17,810,701	17,353,562	97.43%	168,534	17,522,096	98.38%
2020	18,420,750	49,680	18,371,070	18,092,223	98.48%	98,190	18,190,413	99.02%
2021	19,149,488	44,543	19,104,945	18,738,959	98.08%	227,198	18,966,157	99.27%
2022	19,665,247	152,173	19,513,074	19,191,412	98.35%	274,825	19,466,237	99.76%
2023	19,330,259	202,571	19,127,688	19,032,725	99.50%	-	19,032,725	99.50%

Source: Accounting Records and Official Statements

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-type Activities		Total Outstanding Debt	Personal Income	Percentage of Personal Income	U.S Census Population	Debt Per Capita
	General Obligation Bonds (1)	Direct Borrowings and Placements	General Obligation Bonds (1)	Direct Borrowings and Placements					
2014	\$ 1,110,000	\$ -	\$ 1,165,000	\$ 1,004,367	\$ 3,279,367	\$ 262,434,780	1.25%	7,404	\$ 443
2015	3,570,100	-	930,000	848,496	5,348,596	262,434,780	2.04%	7,404	722
2016	3,005,000	-	695,000	687,654	4,387,654	262,434,780	1.67%	7,404	593
2017	2,445,000	-	460,000	561,068	3,466,068	262,434,780	1.32%	7,404	468
2018	2,255,000	300,000	230,000	429,412	3,214,412	262,434,780	1.22%	7,404	434
2019	2,065,000	300,000	-	2,275,031	4,640,031	262,434,780	1.77%	7,404	627
2020	1,875,000	285,000	-	2,081,371	4,241,371	262,434,780	1.62%	7,404	573
2021	1,685,000	270,000	-	1,882,678	3,837,678	293,071,932	1.31%	7,884	487
2022	1,495,000	255,000	-	1,820,838	3,570,838	318,896,369	1.12%	7,997	447
2023	1,305,000	240,000	-	1,767,284	3,312,284	329,760,163	1.00%	8,213	403

Source: U. S. Census, State Division of Local Services

(1) Presented net of original issuance discounts and premiums.

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Assessed Value	Percentage of Assessed Value	U.S Census Population	Debt Per Capita
2014	\$ 2,275,000	\$ 820,615,452	0.28%	7,404	\$ 307
2015	4,500,100	833,099,735	0.54%	7,404	608
2016	3,700,000	864,642,103	0.43%	7,404	500
2017	2,905,000	913,243,214	0.32%	7,404	392
2018	2,485,000	945,760,204	0.26%	7,404	336
2019	2,065,000	976,093,917	0.21%	7,404	279
2020	1,875,000	1,049,615,374	0.18%	7,404	253
2021	1,685,000	1,142,570,894	0.15%	7,884	214
2022	1,495,000	1,244,635,882	0.12%	7,997	187
2023	1,305,000	1,480,111,751	0.09%	8,213	159

Source: U. S. Census, State Division of Local Services

(1) General obligation bonds consist of debt of both governmental and business-type activities, net of original issuance discounts and premium

COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

(Amounts in Thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Equalized Valuation.....	\$ 889,316	\$ 856,074	\$ 856,074	\$ 922,494	\$ 922,494	\$ 1,012,450	\$ 1,012,450	\$ 1,117,484	\$ 1,117,484	\$ 1,330,014
Debt Limit.....	44,466	42,804	42,804	46,125	46,125	50,623	50,623	55,874	55,874	66,501
Outstanding debt.....	3,279	5,349	4,388	3,466	3,214	4,640	4,241	3,838	3,571	3,312
Authorized and unissued debt.....	300	276	1,334	1,234	410	1,600	1,600	1,770	-	-
Debt not applicable to debt limit.....	-	-	-	-	300	300	285	270	255	240
Legal debt margin.....	<u>\$ 40,887</u>	<u>\$ 37,179</u>	<u>\$ 37,082</u>	<u>\$ 41,425</u>	<u>\$ 42,801</u>	<u>\$ 44,683</u>	<u>\$ 45,067</u>	<u>\$ 50,536</u>	<u>\$ 52,558</u>	<u>\$ 63,429</u>
Total debt applicable to the limit as a percentage of debt limit.....	8.05%	13.14%	13.37%	10.19%	8.51%	12.92%	12.10%	10.52%	6.85%	5.34%

Source: State Division of Local Services, Accounting Records

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2023

	<u>Debt Outstanding *</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Ashburnham - Westminster Regional School District.....	\$ 2,145,003	53.05%	\$ 1,137,924
Montachusett Regional Vocational School District.....	-	5.05%	-
Subtotal, overlapping debt.....			<u>1,137,924</u>
Town direct governmental activities debt.....			<u>1,545,000</u>
Total direct and overlapping governmental activities debt.....			<u><u>\$ 2,682,924</u></u>

* Debt is as of June 30, 2022.

Source: Official Statements, Accounting Records

The estimated percentage applicable is based on the Town's weighted percentage of total school enrollment as provided in the enabling acts.

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2014	7,404	262,434,780	35,445	43.6	2,324	5.60%
2015	7,404	262,434,780	35,445	43.6	2,366	3.80%
2016	7,404	262,434,780	35,445	43.6	2,361	3.30%
2017	7,404	262,434,780	35,445	43.6	2,369	3.00%
2018	7,404	262,434,780	35,445	43.6	2,495	2.70%
2019	7,404	262,434,780	35,445	43.6	2,420	2.40%
2020	7,404	262,434,780	35,445	43.6	2,366	2.00%
2021	7,884	293,071,932	37,173	50.8	2,384	4.10%
2022	7,997	318,896,369	39,877	50.8	2,194	5.50%
2023	8,213	329,760,163	40,151	50.8	2,199	4.80%

Source: U. S. Census, Division of Local Services, Massachusetts
Department of Elementary and Secondary Education

PRINCIPAL EMPLOYERS (EXCLUDING TOWN)

CURRENT YEAR AND NINE YEARS AGO

Employer	Nature of Business	2023			2014		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Wachusett Mountain	Ski Area (seasonal)	1,100	1	41.83%	100	5	4.05%
Illinois Tool Works (TRW, Inc.)	Plastic Fasteners	230	2	8.75%	200	2	8.11%
Wachusett Brewing Co.	Brewery	125	3	4.75%			
Ranor, Inc.	Custom Job Manufacturing	98	4	3.73%	150	4	6.08%
Seaboard Box Co.	Folding Boxes	51	5	1.94%			
Interstate Containers, Inc.	Boxes	45	6	1.71%	45	7	1.82%
Fitchburg Welding	Steel Fabrication	35	7	1.33%	40	8	8.11%
Miles Kedex Co., Inc.	Presentation Frames	35	7	1.33%	30	9	1.22%
Advanced Coatings Co., Inc.	Plastic Resins	25	9	0.95%	29	10	1.18%
Simplex Time Recorder	Fire Alarm Systems	16	10	0.61%	722	1	29.27%
W.E. Aubuchon Hardware	Hardware Retailer				150	3	6.08%
Wachusett Village Inn	Motel & Resturant				100	6	4.05%

Source: Official Statements

FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government.....	22	21	20	27	30	26	34	31	31	31
Public safety.....	28	26	29	30	26	30	30	30	32	34
Public works.....	19	15	17	14	14	14	16	14	14	14
Health and human services.....	6	5	5	3	3	3	3	3	3	2
Culture and recreation.....	1	2	3	3	3	3	3	2	2	3
Sub-total	76	69	74	77	76	76	86	80	82	84
Water.....	2	1	1	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Sewer.....	2	1	1	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Total Town employees.....	80	71	76	80	79	79	89	83	85	87

Source: Town personnel records

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Town Clerk										
Registered voters.....	5,302	5,265	5,265	5,505	5,915	5,774	5,899	6,450	6,569	6,652
Public Safety:										
Police										
Criminal offenses										
Violent.....	93	38	57	35	46	23	40	51	64	46
Property and other.....	32	183	401	134	320	315	339	462	144	120
Total criminal offenses.....	<u>125</u>	<u>221</u>	<u>458</u>	<u>169</u>	<u>366</u>	<u>338</u>	<u>379</u>	<u>513</u>	<u>208</u>	<u>166</u>
Fire										
Incidents										
Fires.....	37	30	34	36	29	22	39	54	58	68
Non-fire incidents.....	999	1,047	1,059	1,229	1,477	1,542	1,567	1,727	1,730	1,940
Total fire calls.....	<u>1,036</u>	<u>1,077</u>	<u>1,093</u>	<u>1,265</u>	<u>1,506</u>	<u>1,564</u>	<u>1,606</u>	<u>1,781</u>	<u>1,788</u>	<u>2,008</u>
Inspectional Services:										
Number of building permits.....	246	260	368	354	412	475	424	512	488	494
Education: **										
Number of students.....	2,324	2,366	2,361	2,369	2,495	2,420	2,366	2,384	2,194	2,199
Public Works:										
Highway										
Roads paved (miles).....	114	114	114	114	114	114	114	114	114	114
Sewer										
Sanitary sewers replaced (miles).....	17	17	17	17	17	17	17	17	17	17
Health and Human Services:										
Board of Health										
Inspections										
Food Establishments.....	38	39	42	43	43	43	43	42	44	52
Culture and Recreation:										
Libraries										
Circulation.....	73,493	70,821	70,415	62,399	66,449	63,905	61,928	50,440	70,856	81,624
Holdings.....	80,331	88,975	92,425	92,971	117,121	132,889	182,746	220,917	234,264	264,393

N/A - Information not available

Source: Various Town Departments and State websites.

**Westminster shares a regional school district with the Town of Ashburnham.

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Number of buildings.....	6	6	6	6	6	6	6	6	6	6
Public Safety:										
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Education:*										
Number of elementary schools.....	2	2	2	2	2	2	2	2	2	2
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works:										
Road miles.....	114	114	114	114	114	114	114	114	114	114
Sewer main lines (miles).....	17	17	17	17	17	17	17	17	17	17
Number of cemeteries.....	3	3	3	3	3	3	3	3	3	3
Culture and Recreation:										
Number of libraries.....	1	1	1	1	1	1	1	1	1	1
Number of public parks.....	2	2	2	2	2	2	2	2	2	2

Source: Various Town Departments and State websites.

* Westminster is part of a Regional School District with the Town of Ashburnham. The High School and Middle School are located in the Town of Ashburnham.



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