

Town of Westwood, Massachusetts

Annual Comprehensive Financial Report Year Ended June 30, 2021



The Town of Westwood, Massachusetts



Annual Comprehensive Financial Report

**For the Year
July 1, 2020 through June 30, 2021**

Select Board

**John M. Hickey, Chairman
Nancy C. Hyde
Michael F. Walsh**

**Prepared by:
Pamela Dukeman,
Assistant Town Administrator/Finance Director**

Town of Westwood, Massachusetts Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

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Introductory Section

Transmittal Letter

A Few Words About Westwood

Directory of Officials

Organization Chart

Certificate of Achievement



Pictured from left to right, Select Board Member Nancy Hyde, Select Board Member Michael Walsh, Town Administrator Christopher Coleman, and Select Board Chair John Hickey



Town of Westwood
Commonwealth of Massachusetts

Office of the Finance Director

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December 22, 2021

To the Honorable Select Board and Citizens of the Town of Westwood:

State law requires the Town of Westwood to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted 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. Pursuant to that requirement, I hereby issue the Annual Comprehensive Financial Report (ACFR) of the Town of Westwood, Massachusetts, for the year ending June 30, 2021 for your review.

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 credit raters as well as residents and taxpayers of Westwood.

This report consists of management's representations concerning the finances of the Town of Westwood. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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 generally accepted accounting principles. The Assistant Town Administrator/Finance Director is responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements.

Because the cost of internal controls should not outweigh their benefits, the Town of Westwood'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 of Westwood's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Westwood for the year ended June 30, 2021, 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 of Westwood's financial statements for the year ended June 30, 2021, 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.

The independent audit of the financial statements of the Town of Westwood was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Westwood's separately issued Single Audit Report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A where the financial analysis is presented. The Town's MD&A can be found immediately following the independent auditor's report from Powers & Sullivan, LLC.

Profile of the Town

Westwood was incorporated as a Town in 1897. With a population of approximately 16,266, Westwood is located in eastern Massachusetts, 13 miles south of Boston, with a land area of 11 square miles. Westwood is recognized throughout the state for its attractive open space and rambling New England stone walls.

Situated at the junction of Routes 95/128 and 93, Westwood provides an excellent location for its residents and its businesses. The Town offers the further convenience of two commuter rail lines, full MBTA bus service on some major routes, and Amtrak high speed rail access to Boston and New York.

Westwood is known throughout the state for its high-quality school system and beautiful open space. Westwood students consistently score in the top percentiles on national tests, and the overwhelming majority of students graduating from the High School go on to higher education. Westwood's Downey Elementary School was named a 2019 National Blue Ribbon School by the U. S. Department of Education. This designation honors schools where students achieve very high learning standards and create vibrant, innovative cultures of teaching and learning. Westwood High School was named a 2012 National Blue Ribbon School with a designation of Extremely High Performance by the U. S. Department of Education.

The Town offers a full range of services including police and fire protection, education, maintenance of streets and infrastructure, solid waste collection and disposal, health and human services, cultural and recreational, administrative and financial services.

The Town operates under a Select Board/Open Town Meeting/Town Administrator form of government. The elected, three-member Select Board makes policy decisions. The Town Administrator is responsible for carrying out the policies and direction of the Select Board and for managing the day-to-day operations of the Town.

An elected, five-member School Committee appoints a School Superintendent who administers the public school system of the Town. School Committee members, like the Select Board, are elected at-large to three-year staggered terms.

The Assistant Town Administrator/Finance Director is responsible for preparing and presenting the General Fund budget to the Select Board. The Select Board reviews all requests and Town wide issues and presents a budget to Town Meeting for approval. A fifteen member Finance and Warrant Commission reviews the budget and makes recommendations to Town Meeting.

The level of budgetary control is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is either at the individual department and/or division level. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. The

Finance and Warrant Commission, upon request by the Select Board, may approve, during the year, a transfer from a reserve fund established at Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

Information Useful in Assessing the Town's Economic Condition

The Town of Westwood continues to reflect a strengthening local economy. The per capita income of \$129,076 continues to rise and outpace the state average. Westwood also has an extremely low comparable unemployment rate of 4.5% (2021) compared with the State rate of 4.9% (2021).

Westwood is a very desirable community and this is reflected in the strong residential sales market, which has risen above the pre-fiscal crisis levels. The Town offers a unique mix of proximity to Boston and major highways and transportation, while maintaining a desirable residential community. The Town offers a broad range of high quality services, outstanding public education, and an attractive quality of life.

Westwood continues to experience a major, positive change in commercial property value. In an effort to improve commercial development, the Town took steps several years ago to enhance the desirability and flexibility of its major commercial areas by creating specific overlay districts for each commercial area encouraging redevelopment. University Park, the community's largest commercial area, is situated in a far corner of the Town's geographical area, bordering major highways and a commuter rail system with connections to Boston as well as Amtrak and Acela speed rail service to Providence, Rhode Island, New York City and Washington D.C.

University Station, the Town's high profile mixed use, development project, continued to advance in 2021. The project includes over two million square feet of new mixed use development including residential, commercial, hotel, office, and retail components. Stores and many restaurants have now been opened and operating as a vibrant commercial center. Construction of a hotel and additional restaurants has been completed, and all are open and operating. Construction of 100 condominium units has been completed and units occupied. The development also includes a state of the art Brigham and Women's Health Care Facility. In 2020, the Town welcomed two new commercial office buildings, including a new Citizens Bank. Advancement of this project has significantly enhanced the Town's tax base.

The Town knew that the resulting economic benefits including employment opportunities from the project and significant new growth revenue would outweigh the additional service costs. The project has mitigated any transportation and environmental concerns, provides for an enhanced and stable commercial tax base, created new employment opportunities and enhanced the quality of the community.

The overlay district zoning for University Park encourages residential units strategically located within walking distance of the train station. The Route 128/University Park train station, which includes a 2,700 vehicle parking center, provides MBTA commuter service to the Back Bay and South Station in Downtown Boston as well as to Providence, Rhode Island. The station also serves as the suburban stop for the Acela high speed rail train between Boston, New York and Washington, D.C. With current and forecasted trends in the price of gasoline, these units with access to commuter service, employment opportunities and shopping and leisure activities, are expected to be extremely desirable.

The Islington Center area was recently approved for mixed use residential and retail development and construction of the first phase has been completed. A new commercial development has been completed and currently a municipal facility with a small library branch and welcoming community space is under construction. Efforts will continue to encourage renewal of this Center through a public/private partnership with extensive community engagement. These have and will continue to add to the commercial tax base.

The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden by a majority vote at a Town election. While tax revenue increases have been limited in recent years, other revenue sources, such as State aid and local receipts, including the meals and hotel taxes, have expanded and stabilized.

The Town has made significant efforts with fixed costs budgets, resulting in much improved budgets in health insurance and benefit accounts. On the Town's operating side, the 2021 budgets and service level were maintained through a modest 3.8% increase in the operating budget. This allowed the Town to continue to provide high quality services while minimizing the impact on the property tax burden. The Town continues to work on the health insurance costs resulting in continued savings. The changes included plan restructuring and transition to the state GIC program. Savings from the changes has allowed the Town to build an annual OPEB appropriation of \$1,465,000 into the budget, which will continue to increase incrementally by \$25,000 per year. The Town, with the cooperation of its employees, has made significant progress in addressing the OPEB liability and the annual appropriation is in line with the annual required contribution (ARC).

The Town continues to manage its financial affairs in a prudent manner, primarily through considerable long-term planning and strong financial policies. In 2021, in conjunction with the sale of a \$7.7 million bond, the Town's AAA credit rating was reaffirmed by Standard & Poor's. It has been able to do so by incorporating long range planning tools such as a five-year Capital Improvement Program; maintaining appropriate reserve balances and addressing long term liabilities despite tight budgets; investing in technology to ensure efficient operations; and maintaining an aggressive pay as you go financing strategy for capital improvements. The Town's long-term policies will preserve its strong financial position for the foreseeable future.

In 2021, the Town continued to demonstrate its commitment to the financial policy of maintaining and building its reserve accounts. The Town continued its commitment to build the Stabilization account to the policy goal level, which is 4% of general fund net operating revenues. The 2021 budget appropriated \$125,000 to the Stabilization fund and \$1,465,000 to the OPEB fund. The Town plans to continue to fund the reserves more in future years.

In 2020, residents approved a road improvement bond of \$4.7 million for improvements on the Town's major road, Route 109, crosswalk safety improvements, and pavement preservation. This bond replaces a retiring DPW bond issued in 2012. Residents also approved borrowing of \$325,000 for DPW equipment.

The Town has remained dedicated to an aggressive retirement of debt policy. Whenever possible, debt is issued for shorter time periods than allowed, typically ten years, with the exception of major new buildings. The Town has aggressively pursued and received state funding for all school construction projects. The state is committed to stabilized annual payments of approximately \$1.4 million which are directly applied to the High School debt service thereby limiting the burden on the taxpayers. Other municipal ten year bonds were completed in 2015, before the addition of new bonds for public safety buildings. This roll over of debt allowed the Town to issue new debt for infrastructure improvements and remain within the same debt levels. The Town monitors and schedules retirement and issuance of debt to ensure that debt service does not exceed 10% of the operating budget to ensure availability of resources for ongoing operations.

The Town has also enhanced its revenue flexibility by establishing an enterprise fund for sewer operations. This has allowed the Town to shift one hundred percent of the operating cost and capital improvements to the users of sewer services so that no tax support goes towards providing these services. All sewer related debt is related to the sewer infrastructure and is funded through sewer user fees. By doing so, the Town is able to provide the maximum tax dollars available to all other services.

Major initiatives for 2022 will include continuing to facilitate pieces of the University Station project including office buildings and a new restaurant, ensuring that this exciting new development proceeds appropriately and impacts the community in a positive manner. Particular focus will be given to ensuring that new revenue from this project

strengthens the reserve and capital accounts according to the Town's Financial Policies as well as enhancing delivery of services and solidifying the tax base, especially the split tax rate. In addition, major efforts by the Town in 2022 will include overseeing and inspecting continued phased improvements and new development in the Town's Islington Center. This project includes both new retail and housing.

The Town recently significantly improved its public safety facilities. The new Police Headquarters and Fire Station Two were fully completed in 2018 and are opened and operational. These new facilities not only enhance current services, but allow the Town to accommodate the additional operating services to meet the needs of the University Station development. The Town began planning in 2020 for the next phase of facility upgrades for Town and School buildings. The School Department has been selected by the State MSBA program to work with them on the elementary school's project, which is currently in the feasibility phase. This will be an important project to maintain the high quality of the School system and comes as the Town approaches retirement of the long-term debt issued for the new high school.

A new elementary school is proposed for funding in 2022. The new school will consolidate two existing outdated elementary schools into one property and will function as a community wide facility. The project is proposed as an approximate \$88.0 million cost with the MSBA reimbursement of approximately \$18.0 million.

Coronavirus (COVID-19)

Although 2020 and 2021 were and have been different and challenging years, significant changes were made to Town and School services in order to conduct business as usual in very unusual times. Many Town departments had personnel working out of Town buildings that were closed to the public. During the summer of 2020, the School Department developed plans for a hybrid model for reopening in the fall. The Select Board implemented streamline procedures for businesses to weather the challenging economic climate.

The revenue impact as a result of COVID-19 will be limited. Meals and hotel taxes go directly into special purpose stabilization accounts, only to be used by Town Meeting for capital items. Local receipts revenue is budgeted extremely conservatively, and the Town does not expect a local receipts revenue shortfall in 2022.

The Town has utilized both Federal Emergency Management Agency (FEMA) and State Cares Act funding to handle any unusual COVID-19 expenses, such as costs for remote school learning, remote municipal staffing, PPE, and public safety issues.

2021 revenue and expenditure budgets were closed out smoothly, with no major COVID-19 implications.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Westwood for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2020. This was the 24th consecutive year that the government has achieved this prestigious award.

In order to be awarded the 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. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

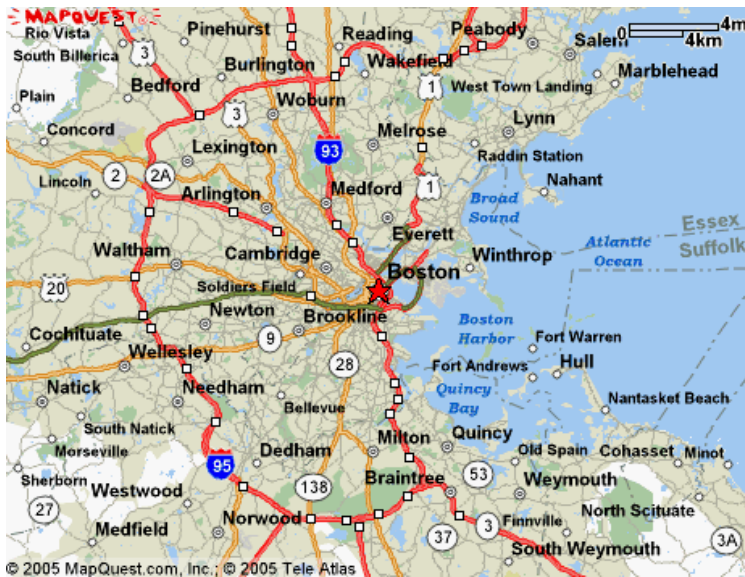
This report represents significant effort by the entire financial team of the Town, whose dedicated efforts have significantly improved the financial operations of the Town. I particularly would like to acknowledge the efforts of Laura Bucari, whose assistance was invaluable in the preparation of this Annual Comprehensive Financial Report. I would also like to thank the Town's management team for their recognition of the importance of the ACFR and the encouragement given to the financial departments.



Respectfully submitted,

Pamela Dukeman
Assistant Town Administrator/Finance Director

A Few Words About Westwood....



Westwood was incorporated as a Town in 1897 and has a current population of approximately 16,266. The Town is located in eastern Massachusetts, 13 miles south of its capital city of Boston. One major attraction of Westwood is its location in relation to Boston and major roadways. The commuter rail has four convenient stops within five minutes of Town, one of which doubles as an Amtrak station. The Amtrak station provides connections originating in Boston and continuing to Providence, Rhode Island and New York City.

Westwood is recognized for the quality of its schools. Students consistently score in the top percentile on national tests, and the overwhelming majority of students graduating from the High School go on to higher education.

Westwood operates under a Select Board/Open Town Meeting/Town Administrator form of government. The elected, three-member Select Board makes policy decisions. The Town Administrator is responsible for carrying out the policies and direction of the Select Board and for managing the day-to-day operations of the Town. An elected, five-member School Committee appoints a School Superintendent who administers the Town's public school system. School Committee members, like the Select Board, are elected at-large to three-year staggered terms.

The Town maintains many recreational areas and facilities, including numerous conservation areas, playgrounds, ball fields and an indoor pool facility. The Town has two libraries, a senior center and numerous community-sponsored events for residents.

From a natural perspective, the Town works very hard to conserve land. It is the hope of preservation workers that Westwood can create its own emerald necklace with its conservation land and walking paths. Hale Reservation is one of the Town's hidden gems. Hale is a private, non-profit educational organization with 1,137 acres of land, 20 miles of trails, and 4 ponds. Hale is best known for its youth summer camps, as well as its year-round educational programs.



The formation of Westwood has been influenced by a number of factors. Character, community, and location are just three of its most admirable traits.

In [March 2012, Boston Magazine](#) selected Westwood as one of the best places to live in Massachusetts.



2019 National Blue Ribbon Schools Program

The U.S. Department of Education named Westwood’s Downey Elementary School a National Blue Ribbon School for 2019, joining other schools from around the nation.

Secretary of Education Betsy DeVos made the announcement. Schools are awarded a National Blue Ribbon based on overall academic performance or progress in closing achievement gaps among student subgroups.

“It is an honor to be named as a National Blue Ribbon School,” said Deb Gallagher, Downey Elementary School’s principal. “This recognition represents the hard work of the Downey staff who are passionate about teaching and learning. It also represents the strong, vibrant and positive community culture we have established in our school. We are all fortunate to work in a community where parents, central office administration, and the school committee support the work we do and provide the resources that are needed to meet the needs of every student.”

The National Blue Ribbon Schools Program honors public and private elementary, middle and high schools where students achieve very high learning standards or are making notable improvements in closing the achievement gap.

“We’re so proud of the faculty, staff and students at Downey and thrilled that their efforts, and Mrs. Gallagher’s leadership, have been recognized,” said Westwood Public Schools Superintendent Emily Parks. “Downey School has a wonderful, welcoming culture focused on the success of all kids and the Blue Ribbon designation affirms it.”

The National Blue Ribbon Schools Program was established in 1982 and has presented more than 8,500 schools across the country this coveted award. On Nov. 14 and 15, the Department of Education will celebrate all 2019 honorees at an awards ceremony in Washington, D.C. Westwood will also celebrate the award with a PTO-sponsored family night and a reception for teachers and staff.

“We recognize and honor your important work in preparing students for successful careers and meaningful lives,” Secretary DeVos said in a video message to the honorees. “As a National Blue Ribbon School, your school demonstrates what is possible when committed educators hold all students and staff to high standards and create vibrant, innovative cultures of teaching and learning.”

The department recognizes all schools in one of two performance categories, based on all student scores, student subgroup scores and graduation rates.

Exemplary High Performing Schools are among their state’s highest performing schools as measured by state assessments or nationally normed tests.

Exemplary Achievement Gap Closing Schools are among their state’s highest performing schools in closing achievement gaps between a school’s student groups and all students.

Westwood High School was named a 2012 National Blue Ribbon High School. The school was one of just 38 high schools nationwide to be identified as “Exemplary High Performing,” a designation reserved for schools that are among their state’s highest performing schools.

Town of Westwood, Massachusetts
Principal Officials

As of June 30, 2021

Select Board

John M. Hickey, Chair
Nancy C. Hyde
Michael F. Walsh

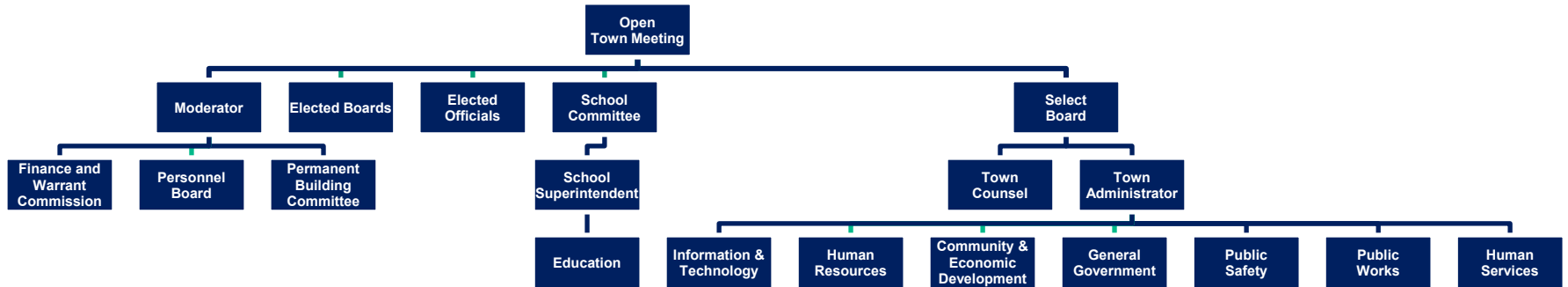
Town Administrator – Christopher Coleman
Assistant Town Administrator/Finance Director – Pamela Dukeman
School Superintendent – Emily Parks
Town Treasurer – James Gavin
Police Chief – Jeffrey Silva
Fire Chief – John Deckers

Town of Westwood, Massachusetts

Total Budget Salaries of Principal Officials
June 30, 2021

Position	Salary
School Superintendent	\$214,328
School Assistant Superintendent	\$157,625
School Director of Business and Finance	\$147,900
Town Administrator	\$203,800
Police Chief	\$197,639
Assistant Town Administrator/Finance Director	\$185,982
Fire Chief	\$167,242
Department of Public Works Director	\$149,488
Information Technology Director	\$128,658
Human Resources Director	\$121,954
Community and Economic Development Director	\$116,266
Town Accountant	\$114,980
Library Director	\$114,410
Town Counsel	\$103,163
Town Clerk (Elected)	\$101,534
Tax Collector (Elected)	\$4,000
Treasurer (Elected)	\$4,000
Select Board (Elected)	\$2,000
Board of Assessors (Elected)	\$1,800

The Town of Westwood



Elected Boards

- Select Board
- Regional Vocational School Representative
- Housing Authority
- Library Trustees
- Planning Board
- Board of Assessors
- Sewer Commissioners
- School Committee

Elected Officials

- Moderator
- Town Clerk
- Town Collector
- Town Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Westwood
Massachusetts**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

General Fund Budgetary Comparison Schedule, Retirement System Schedules, and Other Postemployment Benefit Schedules

Combining Statements

The Town has recently built or renovated a number of
Municipal Buildings

Wentworth Hall



Wentworth Hall was relocated and repurposed during 2021, will now be used by the Library, Youth and Family Services and for community space.

New Fire Station



New Police Headquarters





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Independent Auditor's Report

To the Honorable Select Board
Town of Westwood, Massachusetts

Report on the Financial Statements

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 Westwood, Massachusetts as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westwood, Massachusetts' basic financial statements. The introductory section, combining statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of the Town of Westwood, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Westwood, Massachusetts' internal control over financial reporting and compliance.

Powers & Sullivan LLC

December 22, 2021

Management's Discussion and Analysis

This page intentionally left blank.

Management's Discussion and Analysis

As management of the Town of Westwood, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2021. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditors' opinion. If the Town of Westwood's financial statements have significant departures from GAAP the independent auditors may issue a qualified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates. The Town of Westwood has enjoyed an unmodified opinion on its financial statements since the year ended June 30, 1984.

Financial Highlights

- The governmental and business-type assets and deferred outflows of resources of the Town of Westwood exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$61.7 million (net position).
- As required by accounting standards, as of June 30, 2021, the Town has reported a net pension liability of \$36.9 million along with a deferred outflow related to pension of \$2.1 million and a deferred inflow related to pension of \$3.3 million on the statement of net position. Additional disclosures and schedules can be found in the notes to the basic financial statements and required supplementary information.
- As required by accounting standards, as of June 30, 2021, the Town has reported an other postemployment benefit (OPEB) liability of \$35.0 million along with a deferred outflow related to OPEB of \$496,000 and a deferred inflow related to OPEB of \$7.0 million on the statement of net position.
- At the close of the current year, the Town of Westwood's general fund reported an ending fund balance of \$27.0 million, an increase of \$2.4 million in comparison with the prior year. Total fund balance represents 24.7% of total general fund expenditures. Approximately \$16.6 million of this total amount is available for appropriation at the government's discretion, \$7.1 million is committed for capital articles approved by Town Meeting, \$843,000 is assigned for encumbrances carried forward to the subsequent year and \$2.5 million represents available funds appropriated to fund the fiscal year 2022 budget.
- In 2021, the Town incurred approximately \$1.7 million of expenses related to the COVID-19 Pandemic and received \$2.8 million in COVID-19 relief through a variety of grants (see note 17).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Westwood's basic financial statements. The Town of Westwood's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Towns' operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's

accountability. An additional part of the basic financial statements are the 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 of Westwood's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the Town of Westwood's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two 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 of Westwood is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent 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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, university station, human services, culture and recreation, and interest. The business-type activities include the activities of the sewer enterprise fund.

Fund financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Westwood, 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 of Westwood 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, and balances of spendable resources. Such information is useful in assessing the Town of Westwood's near-term 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 year.

Because the focus of governmental funds is narrower than that of 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In accordance with accounting standards, the Town reports fund balance components as nonspendable, restricted, committed, assigned and unassigned. Additionally, the Town's stabilization fund is reported within the general fund as unassigned. The Town of Westwood adopts an annual appropriated budget for its general fund. A budgetary comparison schedule is included as required supplementary information for the general fund to demonstrate compliance with this budget.

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 its sewer operations.

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 of Westwood's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to 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.

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 of Westwood, government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$61.7 million at the close of 2021.

Net position of \$98.8 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town of Westwood's net position \$3.0 million represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of unrestricted net position \$40.1 million is primarily due to the recognition of the \$36.9 million net pension liability and \$35.0 million in the other postemployment benefits liability.

Governmental activities. The governmental activities net position increased by approximately \$5.1 million during the current year. The underlying reason for the increase was the decrease in the OPEB and pension liabilities.

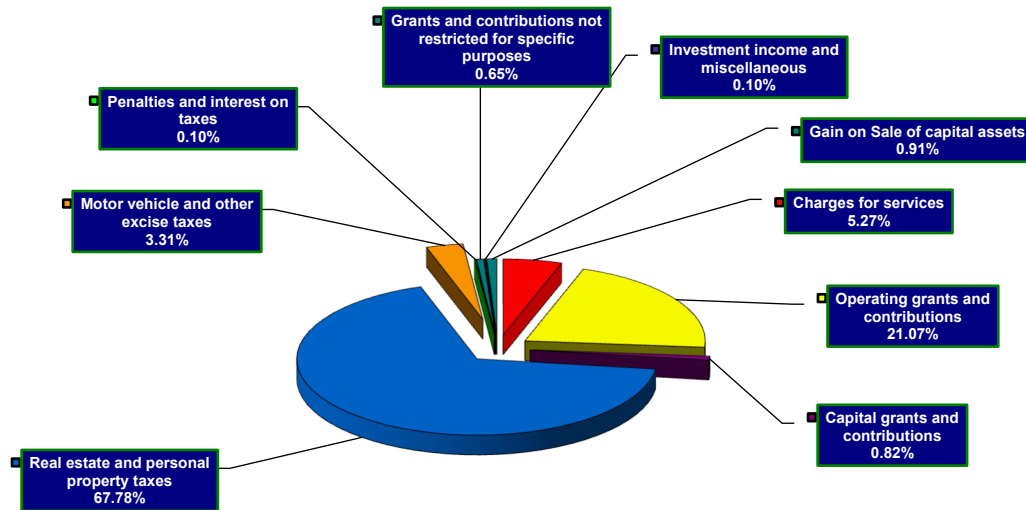
	2021	2020 (as revised)
Assets:		
Current assets.....	\$ 50,400,470	\$ 44,599,193
Noncurrent assets (excluding capital).....	1,374,000	2,717,000
Capital assets, non depreciable.....	11,589,879	7,023,962
Capital assets, net of accumulated depreciation....	112,136,980	114,955,706
Total assets.....	175,501,329	169,295,861
Deferred outflows of resources.....	2,506,952	5,682,679
Liabilities:		
Current liabilities (excluding debt).....	10,753,967	7,071,234
Noncurrent liabilities (excluding debt).....	70,789,959	78,243,344
Current debt.....	9,597,695	8,121,469
Noncurrent debt.....	30,418,092	32,445,297
Total liabilities.....	121,559,713	125,881,344
Deferred inflows of resources.....	10,159,656	7,776,371
Net position:		
Net investment in capital assets.....	87,804,709	88,081,335
Restricted.....	3,016,572	1,924,179
Unrestricted.....	(44,532,369)	(48,684,689)
Total net position.....	\$ 46,288,912	\$ 41,320,825

	2021	2020 (as revised)
Program Revenues:		
Charges for services.....	\$ 6,187,596	\$ 6,289,130
Operating grants and contributions.....	25,650,064	23,365,892
Capital grants and contributions.....	997,793	657,284
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	82,534,629	80,276,498
Motor vehicle and other excise taxes.....	3,575,444	3,499,369
Hotel/motel tax.....	114,368	298,323
Meals tax.....	336,809	396,905
Penalties and interest on taxes.....	125,581	89,232
Grants and contributions not restricted to specific programs.....	788,368	827,409
Unrestricted investment income.....	122,353	443,658
Gain on sale of capital assets.....	1,103,055	165,550
Total revenues.....	121,536,060	116,309,250
Expenses:		
General government.....	7,552,228	8,070,974
Public safety.....	14,380,047	14,987,307
Education.....	75,698,158	76,622,782
Public works.....	11,816,463	10,304,186
Health and human services.....	1,675,406	1,828,397
Culture and recreation.....	3,638,879	4,525,874
University Station.....	212,018	239,892
Interest.....	1,594,774	1,117,897
Total expenses.....	116,567,973	117,697,309
Change in net position.....	4,968,087	(1,388,059)
Net position, beginning of year, as revised.....	41,320,825	42,708,884
Net position, end of year.....	\$ 46,288,912	\$ 41,320,825

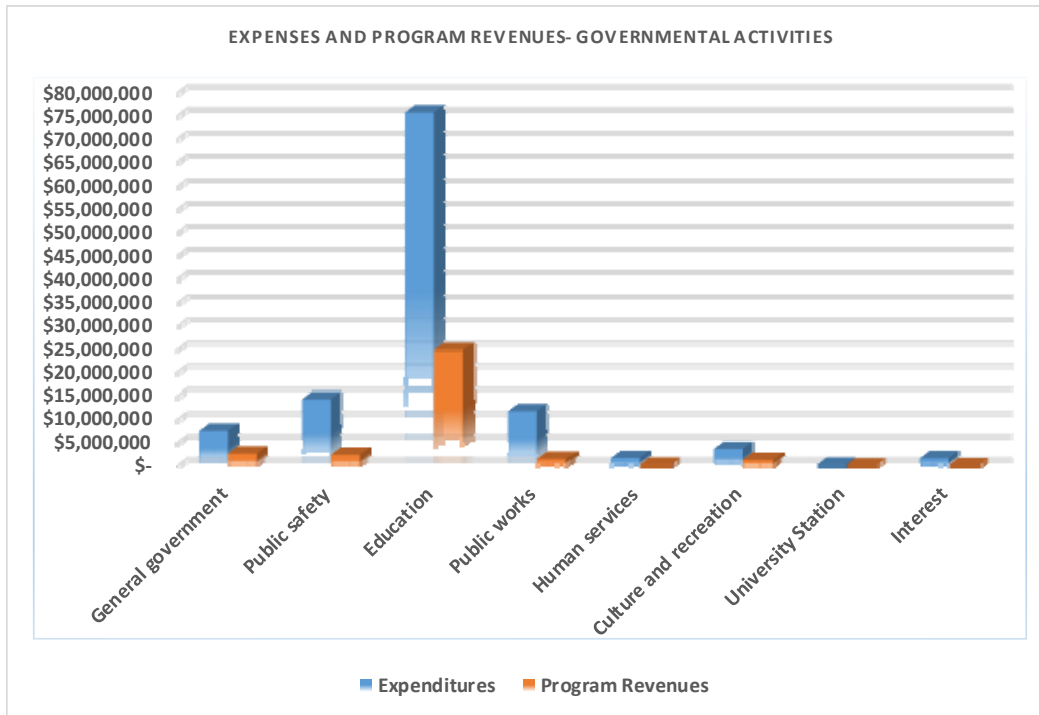
Beginning net position of the governmental activities has been revised (increased) by \$152,753 to reflect the implementation of GASB Statement #84, *Fiduciary Activities*.

- Charges for services represent about 5% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Select Board are included in this category. Most of these resources apply to general government, public safety, and education operations, such as traffic mitigation revenue, building permits, ambulance revenue, athletic receipts, kindergarten revenue and bus fees.
- Operating grants and contributions account for 21% of the governmental activities resources. Most of these resources apply to education, and general government works operations. Increases in this category include grants provided to offset the effects of the COVID-19 pandemic.
- Capital grants and contributions account for 1% of the governmental activities resources.

FY21 Governmental Revenues



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 67.8% of all resources. Real estate and personal property tax collections increased 2.8% from the prior year. In Massachusetts, proposition 2 ½ allows municipalities to increase tax rates up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service. Other taxes and other revenues comprised a total of 3.31% of the governmental activities resources. These primarily include excise taxes, nonrestricted grants, and investment earnings.
- Education is by far the largest governmental activity of the Town with 65% of total governmental expenses. Program revenues of \$25.0 million provided direct support to education and \$50.7 million in taxes and other general revenue were needed to cover the remaining 2021 operating expenses.
- General government, public safety, public works and culture and recreation are significant activities of the Town. Program revenues for general government of \$2.7 million, public safety of \$2.3 million, public works of \$1.5 million and culture and recreation of \$1.2 million are directly supporting \$7.6 million, \$14.4 million, \$11.8 million and \$3.6 million of operating expenses, respectively. Taxes and other general revenue of \$29.8 million were needed to cover the remaining 2021 operating expenses for these activities. Combined, they represent 32% of governmental activity expenses.



Business-type activities. For sewer business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15.4 million at the close of 2021. Net investment in capital assets totaled \$11.0 million while unrestricted net position totaled \$4.4 million. There was a net decrease of \$196,000 in net position reported in connection with the sewer enterprise. Revenues increased \$227,000 while operating expenses decreased by \$195,000, mainly due to decreases in long-term liabilities.

	2021	2020
Assets:		
Current assets.....	\$ 6,712,105	\$ 6,637,931
Capital assets, non depreciable.....	350,850	350,850
Capital assets, net of accumulated depreciation....	11,096,546	11,611,469
Total assets.....	18,159,501	18,600,250
Deferred outflows of resources.....	63,934	143,679
Liabilities:		
Current liabilities (excluding debt).....	164,376	154,548
Noncurrent liabilities (excluding debt).....	1,921,454	2,115,898
Current debt.....	155,000	201,800
Noncurrent debt.....	310,000	465,000
Total liabilities.....	2,550,830	2,937,246
Deferred inflows of resources.....	289,700	227,879
Net position:		
Net investment in capital assets.....	10,982,396	11,295,519
Unrestricted.....	4,400,509	4,283,285
Total net position.....	\$ 15,382,905	\$ 15,578,804

	2021	2020
Program Revenues:		
Charges for services.....	\$ 5,224,007	\$ 4,975,780
Capital grants and contributions.....	10,783	31,978
Total revenues.....	5,234,790	5,007,758
Expenses:		
Sewer.....	5,430,689	5,625,797
Change in net position.....	(195,899)	(618,039)
Net position, beginning of year.....	15,578,804	16,196,843
Net position, end of year.....	\$ 15,382,905	\$ 15,578,804

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Town of Westwood'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 of Westwood'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 year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$32.4 million, an increase of \$963,000 from the prior year. The general fund reported an increase of \$2.4 million, the facilities renovation fund reported a decrease of \$699,000, roadway improvements fund reported a decrease of \$1.3 million, and the nonmajor governmental funds reported an increase of \$590,000. The general fund increase was mainly due to conservative budgeting. The facilities renovation and roadway improvement decreases relate to the timing difference between capital renovation expenses and funding through bond issuances. The nonmajor increase related mainly to school revolving funds and ambulance collections which were offset by the transfers out to the general fund to support the operating budget and from the cell tower revolving fund to the facilities renovation fund to fund the Islington Library and Community Center project.

The general fund is the Town's chief operating fund. The ending fund balance increased by \$2.4 million in comparison with prior year. This increase is due to positive budgetary results.

Real estate tax revenue increased from 2020 by \$2.6 million. This is due to the fact that in Massachusetts, Proposition 2 ½ allows municipalities to increase tax rates up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service.

At the end of the current year, unassigned fund balance of the general fund totaled \$16.6 million, while total fund balance totaled \$27.0 million. The \$7.1 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$3.3 million of assigned fund balance represents \$843,000 in encumbrances to meet contractual obligations at year end and \$2.5 million in available funds appropriated before year end to fund the fiscal year 2022 budget. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.2% of total general fund expenditures, while total fund balance represents 24.7% of that same amount.

The Town also maintains stabilization funds, which have been classified within the unassigned general fund balance in the governmental funds financial statements as required by accounting standards. The stabilization funds have a year-end balance totaling \$8.0 million, which represents 7.3% of general fund expenditures. These funds can be used for general or capital purposes upon Town Meeting approval. Please refer to Note 11 for additional information on the Town's stabilization funds.

The facilities renovation fund is used to account for financial resources used for various Town and school renovations. During the year the Town issued \$1.8 million in long term debt and \$950,000 in bond anticipation notes to fund these projects. The Town received proceeds of \$1.1 million from the sale of capital assets and expensed \$4.4 million. The fund balance decreased \$699,000 from the prior year.

The roadway improvement fund is used to account for construction, reconstruction and improvement of roadways, streets and sidewalks. During the year the Town issued \$895,000 in long term debt and \$3.5 million in bond anticipation notes to fund these improvement projects and expensed \$2.8 million. The fund balance decreased \$1.3 million from the prior year.

General Fund Budgetary Highlights

The final general fund appropriation budget totaled \$108.8 million, which included \$9.2 million in encumbrances and articles that were carried over from the prior year. The final budget also included the planned use of \$68,000 of transfers from other funds and \$150,000 of free cash.

General fund revenues came in over budget by \$863,000. The majority of this surplus was generated from motor vehicle excise taxes and through licenses and permits.

General fund expenditures and encumbrances were lower than final budget by \$2.6 million (3%), with the majority of the variance occurring in the employee benefits and the reserve funds which turned back \$1.3 million and \$570,000, respectively.

The \$150,000 increase between the original budget and the final amended budget was primarily from supplementary appropriations from free cash and the reserve funds to fund the capital outlay budget, and the public works budget. Additionally, the Town voted several transfers within budgetary line items during the year.

Capital Assets and Debt Management

In conjunction with the operating budget, the Town annually prepares a capital budget which includes detailed information concerning those capital requests for the upcoming year as well as summary information for the following four years to identify current projections of what level of capital outlay will be required in future years. As part of the capital plan the Town has historically financed the acquisition of some capital assets from current revenue. This policy will continue to improve the financial position as net position will increase by the amount of acquisitions less the current depreciation.

Major capital assets are funded by the issuance of long and short-term debt and capital grants. The effect on net position during the construction phase of the project is neutral for assets acquired with debt since the Town increases its assets and associated liability by the same amount. In subsequent years the net position will be reduced through depreciation and will be increased by the revenues raised to support the debt principal payments. Net position is increased for assets acquired with grant funds since there is no corresponding liability incurred.

Outstanding long-term debt of the general government, as of June 30, 2021, totaled \$32.7 million of which, \$5.8 million is related to library projects, \$5.0 million is related to school projects, \$18.6 million is related to public

safety projects, \$2.6 million is related to roadway improvements, \$346,000 for department equipment and \$440,000 for land development.

The enterprise fund has \$465,000 in sewer enterprise debt outstanding that is fully supported by the rates and does not rely on a general fund subsidy.

The most significant capital asset additions during the year included various school building improvements, public safety and public works vehicles, school computers and equipment, and roadway improvements.

Please refer to notes 5, 6, 7, and 8 to the financial statements for further discussion of the Town's major capital and debt activity.

Governmental activities:	Capital Assets		
	Cost of Capital Assets	Accumulated Depreciation at end of year	Capital Assets, net
Land.....	\$ 6,374,569	\$ -	\$ 6,374,569
Construction in progress.....	5,215,310	-	5,215,310
Buildings and improvements.....	137,463,756	(57,178,030)	80,285,726
Vehicles.....	10,788,715	(9,388,120)	1,400,595
Machinery and equipment.....	16,984,015	(14,977,872)	2,006,143
Infrastructure.....	64,208,758	(35,764,242)	28,444,516
Total governmental activities.....	241,035,123	(117,308,264)	123,726,859
Business-type activities:			
Land.....	350,850	-	350,850
Plant and infrastructure.....	19,460,956	(10,416,781)	9,044,175
Other buildings and improvements.....	6,339,070	(4,448,931)	1,890,139
Vehicles.....	581,523	(438,401)	143,122
Machinery and equipment.....	510,212	(491,102)	19,110
Total business-type activities.....	27,242,611	(15,795,215)	11,447,396
Total capital assets.....	\$ 268,277,734	\$ (133,103,479)	\$ 135,174,255

Governmental Bonds Payable

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020	Issued	Redeemed	Outstanding at June 30, 2021
Municipal Purpose Bonds of August 2008.....	2023	\$ 3,830,000	3.50 - 4.00	\$ 390,000	\$ -	\$ (130,000)	\$ 260,000
Municipal Purpose Bonds of June 2009 - Refunding.....	2029	3,500,000	2.10 - 5.00	1,575,000	-	(1,575,000)	-
Municipal Purpose Bonds of March 2011 - Refunding.....	2031	9,300,000	3.25 - 4.00	5,115,000	-	(5,115,000)	-
Municipal Purpose Bonds of March 2012.....	2023	19,095,000	2.00 - 4.00	5,360,000	-	(1,820,000)	3,540,000
Municipal Purpose Bonds of December 2012.....	2022	4,635,000	2.00 - 3.00	915,000	-	(460,000)	455,000
Municipal Purpose Bonds of May 2014.....	2024	1,400,000	2.00 - 2.50	560,000	-	(140,000)	420,000
Municipal Purpose Bonds of September 2015.....	2036	10,450,000	2.50 - 5.00	7,990,000	-	(615,000)	7,375,000
Municipal Purpose Bonds of September 2016.....	2046	16,645,000	2.00 - 4.00	13,640,000	-	(750,000)	12,890,000
Municipal Purpose Bonds of March 2021 - Refunding.....	2031	4,988,304	2.00 - 5.00	-	4,988,304	-	4,988,304
Municipal Purpose Bonds of March 2021.....	2041	2,726,696	2.00 - 5.00	-	2,726,696	-	2,726,696
Total Governmental Activities.....		\$		\$ 35,545,000	\$ 7,715,000	\$ (10,605,000)	\$ 32,655,000

Enterprise Bonds Payable

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020	Issued	Redeemed	Outstanding at June 30, 2021
Municipal Purpose Bonds of May 2014.....	2025	\$ 1,570,000	2.00 - 2.50	\$ 620,000	-	\$ (155,000)	\$ 465,000
MWRA - Sewer Bond - Direct Borrowing.....	2021	234,000	0.00	46,800	-	(46,800)	-
Total Enterprise Bonds Payable.....				\$ 666,800	-	\$ (201,800)	\$ 465,000

The Town of Westwood has an “AAA” rating from Standard & Poor’s and an “Aa1” from Moody’s for general obligation debt.

Economic Factors and Next Year’s Budget and Rates

For the 2022 budget, the Town continued to prepare a comprehensive, balanced budget to provide for stable, sustainable operating budgets, maintain reserve accounts, fund OPEB, fund capital projects, and stabilize tax bills.

The 2022 budget increased the following structurally balanced budget decisions:

- The Town provided for an approximate 3.4% increase for the school and 3.1% increase for municipal 2022 operating budgets.
- The 2022 budget has continued a high level of capital budgets through additional use of hotel and meals tax.
- The 2022 budget provides for a \$125,000 appropriation to the stabilization reserve account. This is an ongoing appropriation funded within the budget.
- The 2022 budget provides for a \$1,490,000 appropriation to the OPEB Trust account. This is an ongoing appropriation funded with the budget.
- The 2022 commercial and residential tax rates are not yet finalized but are expected to increase approximately 2.5%.

Requests for Information

This financial report is designed to provide a general overview of the Town of Westwood’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town Hall, 580 High Street, Westwood, Massachusetts 02090.

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Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 37,934,657	\$ 5,549,816	\$ 43,484,473
Investments.....	6,986,168	-	6,986,168
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	599,004	-	599,004
Tax liens.....	1,308,258	-	1,308,258
Motor vehicle excise taxes.....	254,720	-	254,720
User charges.....	-	1,162,289	1,162,289
Departmental and other.....	785,170	-	785,170
Intergovernmental.....	2,532,493	-	2,532,493
Total current assets.....	50,400,470	6,712,105	57,112,575
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	1,374,000	-	1,374,000
Capital assets, nondepreciable.....	11,589,879	350,850	11,940,729
Capital assets, net of accumulated depreciation.....	112,136,980	11,096,546	123,233,526
Total noncurrent assets.....	125,100,859	11,447,396	136,548,255
TOTAL ASSETS.....	175,501,329	18,159,501	193,660,830
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	2,025,628	49,048	2,074,676
Deferred outflows related to other postemployment benefits.....	481,324	14,886	496,210
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	2,506,952	63,934	2,570,886
LIABILITIES			
CURRENT:			
Warrants payable.....	1,409,222	131,277	1,540,499
Accrued payroll.....	4,695,096	9,255	4,704,351
Tax refunds payable.....	147,346	-	147,346
Accrued interest.....	403,244	4,844	408,088
Other liabilities.....	1,004,782	-	1,004,782
Unearned revenue.....	1,354,277	-	1,354,277
Capital lease obligations.....	222,315	-	222,315
Compensated absences.....	1,740,000	19,000	1,759,000
Notes payable.....	4,450,000	-	4,450,000
Bonds payable.....	4,925,380	155,000	5,080,380
Total current liabilities.....	20,351,662	319,376	20,671,038
NONCURRENT:			
Compensated absences.....	840,000	-	840,000
Net pension liability.....	36,035,591	872,556	36,908,147
Net other postemployment benefits liability.....	33,914,368	1,048,898	34,963,266
Bonds payable.....	30,418,092	310,000	30,728,092
Total noncurrent liabilities.....	101,208,051	2,231,454	103,439,505
TOTAL LIABILITIES.....	121,559,713	2,550,830	124,110,543
DEFERRED INFLOWS OF RESOURCES			
Taxes paid in advance.....	85,429	-	85,429
Deferred inflows related to pensions.....	3,257,980	78,888	3,336,868
Deferred inflows related to other postemployment benefits.....	6,816,247	210,812	7,027,059
TOTAL DEFERRED INFLOWS OF RESOURCES.....	10,159,656	289,700	10,449,356
NET POSITION			
Net investment in capital assets.....	87,804,709	10,982,396	98,787,105
Restricted for:			
Permanent funds:			
Expendable.....	145,293	-	145,293
Nonexpendable.....	435,922	-	435,922
Gifts.....	433,075	-	433,075
Grants.....	2,002,282	-	2,002,282
Unrestricted.....	(44,532,369)	4,400,509	(40,131,860)
TOTAL NET POSITION.....	\$ 46,288,912	\$ 15,382,905	\$ 61,671,817

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 7,552,228	\$ 1,251,553	\$ 1,342,364	\$ -	\$ (4,958,311)
Public safety.....	14,380,047	2,206,283	131,126	-	(12,042,638)
Education.....	75,698,158	1,417,544	23,429,406	-	(50,851,208)
Public works.....	11,816,463	105,536	345,047	997,793	(10,368,087)
Human services.....	1,675,406	51,696	168,594	-	(1,455,116)
Culture and recreation.....	3,638,879	1,154,984	68,304	-	(2,415,591)
University Station.....	212,018	-	74,947	-	(137,071)
Interest.....	1,594,774	-	90,276	-	(1,504,498)
Total Governmental Activities.....	<u>116,567,973</u>	<u>6,187,596</u>	<u>25,650,064</u>	<u>997,793</u>	<u>(83,732,520)</u>
<i>Business-Type Activities:</i>					
Sewer.....	<u>5,430,689</u>	<u>5,224,007</u>	<u>-</u>	<u>10,783</u>	<u>(195,899)</u>
Total Primary Government.....	<u>\$ 121,998,662</u>	<u>\$ 11,411,603</u>	<u>\$ 25,650,064</u>	<u>\$ 1,008,576</u>	<u>\$ (83,928,419)</u>

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (83,732,520)	\$ (195,899)	\$ (83,928,419)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	82,534,629	-	82,534,629
Motor vehicle excise taxes.....	3,575,444	-	3,575,444
Hotel/motel tax.....	114,368	-	114,368
Meals tax.....	336,809	-	336,809
Penalties and interest on taxes.....	125,581	-	125,581
Grants and contributions not restricted to specific programs.....	788,368	-	788,368
Unrestricted investment income.....	122,353	-	122,353
Gain on sale of assets.....	1,103,055	-	1,103,055
Total general revenues.....	88,700,607	-	88,700,607
 Change in net position.....	 4,968,087	 (195,899)	 4,772,188
<i>Net position:</i>			
Beginning of year, as revised.....	41,320,825	15,578,804	56,899,629
 End of year.....	 46,288,912	 15,382,905	 61,671,817

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2021

	General	Facilities Renovation	Roadway Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 25,449,928	\$ 455,922	\$ 2,146,751	\$ 9,882,056	\$ 37,934,657
Investments.....	6,937,092	-	-	49,076	6,986,168
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	599,004	-	-	-	599,004
Tax liens.....	1,308,258	-	-	-	1,308,258
Motor vehicle excise taxes.....	254,720	-	-	-	254,720
Departmental and other.....	168,851	-	-	616,319	785,170
Intergovernmental.....	2,937,198	204,810	-	764,485	3,906,493
TOTAL ASSETS.....	\$ 37,655,051	\$ 660,732	\$ 2,146,751	\$ 11,311,936	\$ 51,774,470
LIABILITIES					
Warrants payable.....	\$ 481,948	\$ 689,421	\$ 197,542	\$ 40,311	\$ 1,409,222
Accrued payroll.....	4,695,096	-	-	-	4,695,096
Tax refunds payable.....	147,346	-	-	-	147,346
Other liabilities.....	420,265	-	-	584,517	1,004,782
Unearned revenue.....	-	-	-	1,354,277	1,354,277
Notes payable.....	-	950,000	3,500,000	-	4,450,000
TOTAL LIABILITIES.....	5,744,655	1,639,421	3,697,542	1,979,105	13,060,723
DEFERRED INFLOWS OF RESOURCES					
Taxes paid in advance.....	85,429	-	-	-	85,429
Unavailable revenue.....	4,808,853	204,810	-	1,206,181	6,219,844
TOTAL DEFERRED INFLOWS OF RESOURCES.....	4,894,282	204,810	-	1,206,181	6,305,273
FUND BALANCES					
Nonspendable.....	-	-	-	435,922	435,922
Restricted.....	-	-	-	7,690,728	7,690,728
Committed.....	7,106,685	-	-	-	7,106,685
Assigned.....	3,320,359	-	-	-	3,320,359
Unassigned.....	16,589,070	(1,183,499)	(1,550,791)	-	13,854,780
TOTAL FUND BALANCES.....	27,016,114	(1,183,499)	(1,550,791)	8,126,650	32,408,474
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 37,655,051	\$ 660,732	\$ 2,146,751	\$ 11,311,936	\$ 51,774,470

See notes to basic financial statements.

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

JUNE 30, 2021

Total governmental fund balances.....	\$	32,408,474
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		123,726,859
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		6,219,844
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		(7,567,275)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(403,244)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(35,343,472)	
Net pension liability.....	(36,035,591)	
Other postemployment benefits.....	(33,914,368)	
Capital lease obligations.....	(222,315)	
Compensated absences.....	<u>(2,580,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(108,095,746)</u>
Net position of governmental activities.....	\$	<u><u>46,288,912</u></u>

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	General	Facilities Renovation	Roadway Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 82,462,705	\$ -	\$ -	\$ -	\$ 82,462,705
Motor vehicle excise taxes.....	3,648,226	-	-	-	3,648,226
Hotel/motel tax.....	114,368	-	-	-	114,368
Meals tax.....	336,809	-	-	-	336,809
Charges for services.....	552,951	-	-	3,147,810	3,700,761
Penalties and interest on taxes.....	125,581	-	-	-	125,581
Licenses and permits.....	1,103,258	-	-	-	1,103,258
Fines and forfeitures.....	2,664	-	-	-	2,664
Intergovernmental - Teachers Retirement.....	14,645,000	-	-	-	14,645,000
Intergovernmental.....	7,865,828	359,015	320,056	4,958,024	13,502,923
Departmental and other.....	460,030	-	-	948,162	1,408,192
Contributions and donations.....	-	-	-	230,018	230,018
Investment income.....	105,765	-	-	16,588	122,353
TOTAL REVENUES.....	111,423,185	359,015	320,056	9,300,602	121,402,858
EXPENDITURES:					
Current:					
General government.....	2,895,981	-	-	1,847,235	4,743,216
Public safety.....	9,668,288	-	-	219,780	9,888,068
Education.....	47,992,766	1,485,117	-	3,665,111	53,142,994
Public works.....	6,663,271	-	2,840,323	1,250,954	10,754,548
Human services.....	1,091,629	-	-	68,826	1,160,455
Culture and recreation.....	1,844,845	-	-	749,171	2,594,016
University Station.....	70,311	-	-	141,707	212,018
Pension benefits.....	5,787,533	-	-	-	5,787,533
Pension benefits - Teachers Retirement.....	14,645,000	-	-	-	14,645,000
Property and liability insurance.....	462,938	-	-	-	462,938
Employee benefits.....	9,106,143	-	-	-	9,106,143
State and county charges.....	707,329	-	-	-	707,329
Capital outlay.....	2,493,150	2,932,442	-	-	5,425,592
Debt service:					
Principal.....	4,380,000	-	-	-	4,380,000
Principal payment on current refunding.....	349,359	-	-	-	349,359
Interest.....	1,568,479	-	-	-	1,568,479
TOTAL EXPENDITURES.....	109,727,022	4,417,559	2,840,323	7,942,784	124,927,688
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	1,696,163	(4,058,544)	(2,520,267)	1,357,818	(3,524,830)
OTHER FINANCING SOURCES (USES):					
Issuance of bonds.....	-	1,831,696	895,000	-	2,726,696
Issuance of refunding bonds.....	4,988,304	-	-	-	4,988,304
Premium from issuance of bonds and notes.....	-	-	330,000	175,532	505,532
Premium from issuance of refunding bonds.....	949,958	-	-	-	949,958
Payments to refunded bond escrow agent.....	(5,938,262)	-	-	-	(5,938,262)
Proceeds from the sale of assets.....	-	1,103,055	-	-	1,103,055
Transfers in.....	671,466	424,759	-	-	1,096,225
Transfers out.....	-	-	-	(1,096,225)	(1,096,225)
TOTAL OTHER FINANCING SOURCES (USES).....	671,466	3,359,510	1,225,000	(920,693)	4,335,283
NET CHANGE IN FUND BALANCES.....	2,367,629	(699,034)	(1,295,267)	437,125	810,453
FUND BALANCES AT BEGINNING OF YEAR, AS REVISED.....	24,648,485	(484,465)	(255,524)	7,689,525	31,598,021
FUND BALANCES AT END OF YEAR.....	\$ 27,016,114	\$ (1,183,499)	\$ (1,550,791)	\$ 8,126,650	\$ 32,408,474

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds.....	\$	810,453
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....	9,788,329	
Depreciation expense.....	<u>(8,041,138)</u>	
Net effect of reporting capital assets.....		1,747,191
<p>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. This amount represents the net change in unavailable revenue.....</p>		
		(969,853)
<p>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 transaction 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 unavailable and amortized in the Statement of Activities.</p>		
Principal payments on capital leases.....	217,033	
Issuance of bonds.....	(2,726,696)	
Issuance of refunding bonds.....	(4,988,304)	
Premium from issuance of bonds.....	(505,532)	
Premium from issuance of refunding bonds.....	(949,958)	
Payments to refunded bond escrow agent.....	5,938,262	
Net amortization of premium from issuance of bonds.....	199,436	
principal payments - current refunding.....	349,359	
Debt service principal payments.....	<u>4,380,000</u>	
Net effect of reporting long-term debt.....		1,913,600
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	(197,000)	
Net change in accrued interest on long-term debt.....	(225,731)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(4,512,743)	
Net change in net pension liability.....	5,340,387	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	(1,044,215)	
Net change in other postemployment benefits liability.....	<u>2,105,998</u>	
Net effect of recording long-term liabilities.....		<u>1,466,696</u>
Change in net position of governmental activities.....	\$	<u><u>4,968,087</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2021

	Business-Type Sewer Enterprise
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 5,549,816
Receivables, net of allowance for uncollectibles:	
User charges.....	1,162,289
Total current assets.....	6,712,105
NONCURRENT:	
Capital assets, non depreciable.....	350,850
Capital assets, net of accumulated depreciation.....	11,096,546
Total noncurrent assets.....	11,447,396
TOTAL ASSETS.....	18,159,501
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions.....	49,048
Deferred outflows related to other postemployment benefits.....	14,886
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	63,934
LIABILITIES	
CURRENT:	
Warrants payable.....	131,277
Accrued payroll.....	9,255
Accrued interest.....	4,844
Compensated absences.....	19,000
Bonds payable.....	155,000
Total current liabilities.....	319,376
NONCURRENT:	
Net pension liability.....	872,556
Net other postemployment benefits liability.....	1,048,898
Bonds payable.....	310,000
Total noncurrent liabilities.....	2,231,454
TOTAL LIABILITIES.....	2,550,830
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions.....	78,888
Deferred inflows related to other postemployment benefits.....	210,812
TOTAL DEFERRED INFLOWS OF RESOURCES.....	289,700
NET POSITION	
Net investment in capital assets.....	10,982,396
Unrestricted.....	4,400,509
TOTAL NET POSITION.....	\$ 15,382,905

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2021

	<u>Business-Type Sewer Enterprise</u>
<u>OPERATING REVENUES:</u>	
Charges for services.....	\$ <u>5,224,007</u>
<u>OPERATING EXPENSES:</u>	
Cost of services and administration.....	1,537,019
MWRA assessment.....	<u>3,121,245</u>
TOTAL OPERATING EXPENSES.....	<u>5,419,451</u>
OPERATING INCOME (LOSS).....	<u>(195,444)</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	<u>(11,238)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS.....	(206,682)
<u>CAPITAL CONTRIBUTIONS:</u>	
Sewer betterments.....	<u>10,783</u>
CHANGE IN NET POSITION.....	(195,899)
NET POSITION AT BEGINNING OF YEAR.....	<u>15,578,804</u>
NET POSITION AT END OF YEAR.....	<u>\$ <u>15,382,905</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

	<u>Business-type Sewer Enterprise</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 5,333,659
Payments to vendors.....	(3,901,851)
Payments to employees.....	<u>(797,913)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>633,895</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Capital contributions.....	10,783
Acquisition and construction of capital assets.....	(246,264)
Principal payments on bonds.....	(201,800)
Interest expense.....	<u>(12,788)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(450,069)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	183,826
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>5,365,990</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 5,549,816</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>	
<u>FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ <u>(195,444)</u>
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation.....	761,187
Deferred (outflows)/inflows related to pensions.....	109,270
Deferred (outflows)/inflows related to OPEB.....	32,296
Changes in assets and liabilities:	
User charges.....	109,652
Warrants payable.....	12,415
Accrued payroll.....	(2,037)
Compensated absences.....	1,000
Net pension liability.....	(129,310)
Other postemployment benefits.....	<u>(65,134)</u>
Total adjustments.....	<u>829,339</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 633,895</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ASSETS		
Cash and cash equivalents.....	\$ -	\$ 345,623
Investments:		
Investments in Pension Reserve Investment Trust.....	15,452,174	-
TOTAL ASSETS	15,452,174	345,623
NET POSITION		
Restricted for other postemployment benefits.....	15,452,174	-
Held in trust for other purposes.....	-	345,623
TOTAL NET POSITION	\$ 15,452,174	\$ 345,623

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2021

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions to the trust.....	\$ 1,465,000	\$ -
Employer contributions for other postemployment benefit payments.....	2,110,784	-
Private donations.....	-	101,802
Total contributions.....	3,575,784	101,802
Net investment income:		
Investment income.....	3,467,391	3,205
TOTAL ADDITIONS.....	7,043,175	105,007
DEDUCTIONS:		
Other postemployment benefit payments.....	2,110,784	-
Educational scholarships.....	-	101,497
TOTAL DEDUCTIONS.....	2,110,784	101,497
NET INCREASE (DECREASE) IN NET POSITION.....	4,932,391	3,510
NET POSITION AT BEGINNING OF YEAR.....	10,519,783	342,113
NET POSITION AT END OF YEAR.....	\$ 15,452,174	\$ 345,623

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

An elected three-member Select Board governs the Town.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town’s basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the Primary Government) and its component units. The Town did not identify any component units requiring inclusion in the basic financial statements.

Joint Ventures

The Town has entered into a joint venture with the Towns of Avon, Canton, Dedham, Braintree, Holbrook, Milton, Norwood, and Randolph to pool resources and share the costs, risks and rewards of providing vocational education through the Blue Hills Regional Technical School District (District). As of June 30, 2021, the District has no significant unassigned fund balance and has no outstanding long-term bonds. The following is the address where the District’s financial statements are available, its purpose, and the assessment paid by the Town during 2021.

<u>Joint Venture and Address</u>	<u>Purpose</u>	2021 <u>Assessment</u>
Blue Hills Regional Technical School District 800 Randolph Street, Canton MA 02021	To provide vocational education	<u>\$ 132,293</u>

The Town has no equity interest in the District.

Jointly Governed Organizations

The Select Board is responsible for appointing three of the six-member Board of Water Commissioners of the Dedham-Westwood Water District. The Town’s accountability for this organization does not extend beyond making these appointments.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

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

Major Fund Criteria

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

- If 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 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows of resources, etc.) for all fund of that category or type (total governmental or total enterprise funds), *and*
- If 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 5 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.

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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 the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means 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 unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, and claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

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

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *facilities renovation fund* is used to account for the funds received and expended in connection with various Town and school renovations.

The *roadway improvements fund* is used to account for construction, reconstruction and improvements of roadways, streets and sidewalks.

The 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 fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary fund is reported:

The *sewer enterprise fund* is used to account for the Town's sewer activities.

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

The following fiduciary fund types are reported:

The *other postemployment benefit trust fund* is used to account for and accumulate resources to provide funding for future OPEB (other postemployment benefit) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

D. Cash and Investments

Government-Wide and Fund Financial Statements

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value.

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S.

government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessors for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate tax liens are processed annually on delinquent properties. Real estate and personal property taxes levied are recorded as receivables in the year of the levy and are recorded under the modified accrual basis of accounting.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

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

User Charges

Sewer fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Sewer liens are processed in October of every year and included as a lien on the property owner's tax bill. Sewer charges are recorded as receivables in the year of the levy and are recorded under the full accrual basis of accounting.

Departmental and Other

Departmental and other receivables consist primarily of police details, ambulance fees and school rentals and are recorded as receivables in the year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met. These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements and therefore are not reported.

H. Capital Assets***Government-Wide and Proprietary Fund Financial Statements***

Capital assets, which include land, buildings and improvements, vehicles, machinery and equipment, furniture and fixtures, and infrastructure (e.g., roads, street lights, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$50,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

The Town has included all general infrastructure assets regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through backtracking.

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings and improvements.....	7-40
Plant and infrastructure.....	7-40
Other buildings and improvements.....	7-40
Vehicles.....	5-10
Machinery and equipment.....	5-50
Infrastructure.....	5-50

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reported deferred outflows of resources related to pensions and other postemployment benefits in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reported deferred inflows of resources related to pensions, other postemployment benefits, and taxes paid in advance in this category.

Governmental Fund Financial Statements

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has recorded taxes paid in advance and unavailable revenue as deferred inflows of resources in the governmental funds balance sheet. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the

governmental activities and business-type activities are reported in the statement of net position as “internal balances”.

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “Due from other funds” or “Due to other funds” on the balance sheet.

K. Interfund Transfers

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transfers between and within governmental funds and are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as “Transfers, net”.

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

L. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

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 assets. Outstanding debt related to future reimbursements from the state’s school building program is not considered to be capital related debt.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

“Permanent funds – expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

“Permanent funds – nonexpendable” represents the endowment portion of donor restricted trusts that support governmental programs.

“Gifts and Grants” represents restrictions placed on assets from outside parties.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption

must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments’ or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by adoption of a Town Meeting warrant article, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a Town Meeting vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. The Town’s by-laws authorize the Town Accountant to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

M. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as

other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Norfolk County Contributory Retirement System and Massachusetts Teachers Retirement System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Investment Income

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

Investment income from proprietary funds is voluntarily assigned and transferred to the general fund.

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities.

Compensated absences are reported in the governmental funds only if they have matured.

Q. Use of Estimates

Government-Wide and Fund Financial Statements

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 year. Actual results could vary from estimates that were used.

R. Total Column

Government-Wide Financial Statements

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

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

NOTE 2 – CASH 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 the trust funds are held separately from those of other Town funds.

The Town follows internal investment policies as well as investment policies established under Massachusetts General Laws. The Commonwealth's statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). Additionally, they allow the Town to invest trust funds in trust companies incorporated under the laws of the Commonwealth, banking companies incorporated under the laws of the Commonwealth which are members of the Federal Deposit Insurance Corporation (FDIC), national banks, in participation units in combined investment funds, in paid-up shares and accounts of and in cooperative banks, in shares of savings and loan associations, in shares or savings deposits of federal savings and loan associations doing business in the Commonwealth to an amount not exceeding one hundred thousand dollars, and in bonds or notes which are legal investments for savings banks. Municipalities having trust funds in the custody of the Treasurer in an aggregate amount in excess of two hundred and fifty thousand dollars may also invest trust funds in securities, other than mortgages and collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth provided that not more than fifteen percent of any such trust funds shall be invested in bank stocks and insurance company stocks, nor shall more than one and one-half percent of such funds be invested in the stock of any one bank or insurance company.

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 of Massachusetts 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 Town's deposits may not be returned to it. The Town's deposit and investment policy allows for unlimited investments in MMDT, U.S. Treasuries and Agencies that will be held to maturity with maturities up to one year from the date of purchase, and bank accounts and Certificates of Deposit with maturities up to one year which are fully collateralized or fully insured. Additionally, the Town's policy allows for investments in unsecured bank deposits such as checking, savings, money market or Certificates of Deposit with maturities up to three months. Unsecured deposits in each institution are limited to no more than 5% of an institution's assets and no more than 20% of the Town's total cash.

At year-end, the carrying amount of deposits totaled \$33,397,954 and the bank balance totaled \$35,297,115. Of the bank balance, \$2,000,000 was covered by Federal Depository Insurance, \$14,173,633 was covered by the Depositors Insurance Fund, \$500,000 was covered by Securities Investor Protector Corporation, \$15,734,621 was collateralized and \$2,888,861 was subject to custodial credit risk because it was uninsured and uncollateralized.

Investments

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

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>		
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 1,515,793	\$ 670,473	\$ 845,320	\$ -
Government sponsored enterprises.....	968,689	-	779,932	188,757
Corporate bonds.....	3,835,250	180,491	3,654,759	-
Total debt securities.....	6,319,732	\$ 850,964	\$ 5,280,011	\$ 188,757
<u>Other investments:</u>				
Equity mutual funds.....	49,076			
Fixed income mutual funds.....	617,360			
Pension Reserve Investment Trust (PRIT).....	15,452,174			
MMDT - Cash portfolio.....	10,432,142			
Total investments.....	\$ 32,870,484			

Included in the Town's investments reported above is the Town's OPEB Trust. The OPEB Trust held \$15,452,174 at June 30, 2021, all of which was invested through the State Retiree Benefits Trust Fund in PRIT's general allocation account. The effective weighted duration rate for PRIT investments ranged from .019 to 16.28 years.

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of the outside party. At June 30, 2021, the Town does not have any custodial credit risk exposure for its investments since open-end mutual funds and MMDT deposits are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. In addition to the deposit and investment restrictions listed above, the Town's investment policies allow for trust funds to be invested in any instruments allowed by the Legal List issued by the Banking Commissioner each July. Stabilization funds may be invested in National Banks, Savings Banks, Cooperative banks or trust companies organized under Massachusetts laws, Securities legal for savings banks (i.e. those included in the Legal List issued annually by the Banking Commissioner), Federal Savings and Loan Associations situated in the Commonwealth and the MMDT.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect the fair value of the Town's investments. The Town manages its exposure to fair value losses arising from increasing interest rates by limiting the allowable maturities of investments. The Town's investment policy limits the maturities of investments in U.S. Treasuries, U.S. Agencies and secured Certificates of Deposit to a maximum of one year from the date of purchase. Negotiable Certificates of Deposit are limited to a maximum of three months. The Town had no debt securities subject to interest rate risk as of June 30, 2021.

Credit Risk

The Town’s policy for Credit Risk requires all brokerage houses and broker/dealers wishing to do business with the Town to supply the Treasurer with audited financial statements, proof of National Association of Security Dealers certification, a statement that the dealer has read the Town’s investment policy and will comply with it and proof of credit worthiness with minimum standards of at least five years in operation and a minimum capital of \$10 million.

The Town’s investments at June 30, 2021, are rated as follows:

<u>Quality Rating</u>	<u>Corporate Bonds</u>	<u>Government Sponsored Enterprise</u>
AAA.....	\$ -	\$ 590,895
AA+.....	-	377,794
A+.....	962,143	-
A-.....	1,086,631	-
BBB+.....	599,435	-
BBB.....	1,187,041	-
 Total.....	 \$ 3,835,250	 \$ 968,689

The Town’s investment in MMDT shares were unrated.

Concentration of Credit Risk

The Town limits the amount that may be invested in any one issuer, except for MMDT, to no more than 5% of an institution’s assets and no more than 30% of the Town’s total investments. At June 30, 2021, the Town did not have more than 30% of the Town’s investments in with any one issuer.

Fair Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town’s mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

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

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

Investment Type	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 1,515,793	\$ 1,515,793	\$ -	\$ -
Government sponsored enterprises.....	968,689	968,689	-	-
Corporate bonds.....	3,835,250	-	3,835,250	-
Total debt securities.....	6,319,732	2,484,482	3,835,250	-
<u>Other investments:</u>				
Equity mutual funds.....	49,076	49,076	-	-
Fixed income mutual funds.....	617,360	617,360	-	-
Total investments measured at fair value.....	6,986,168	\$ 3,150,918	\$ 3,835,250	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	10,432,142			
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT).....	15,452,174			
Total investments.....	\$ 32,870,484			

U.S. treasury notes, government sponsored enterprises, equity and fixed income mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

PRIT investments are valued using the net asset value method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserve Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The Town does not have the ability to control any of the investment decisions relative to its funds in PRIT.

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

NOTE 3 – RECEIVABLES

At June 30, 2021, receivables for the individual major governmental funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 599,004	\$ -	\$ 599,004
Tax liens.....	1,308,258	-	1,308,258
Motor vehicle excise taxes.....	254,720	-	254,720
Departmental and other.....	1,134,170	(349,000)	785,170
Intergovernmental.....	3,906,493	-	3,906,493
Total.....	<u>\$ 7,202,645</u>	<u>\$ (349,000)</u>	<u>\$ 6,853,645</u>

At June 30, 2021, receivables for the enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Sewer user charges.....	\$ 1,162,289	\$ -	\$ 1,162,289

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

	General Fund	Other Governmental Funds	Total
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 216,355	\$ -	\$ 216,355
Tax liens.....	1,308,258	-	1,308,258
Motor vehicle excise taxes.....	254,720	-	254,720
Departmental and other.....	312,520	472,650	785,170
Intergovernmental - highway improvements.....	-	733,531	733,531
Intergovernmental - School Building Authority.....	2,717,000	204,810	2,921,810
Total.....	<u>\$ 4,808,853</u>	<u>\$ 1,410,991</u>	<u>\$ 6,219,844</u>

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021, are summarized as follows:

Transfers Out:	Transfers In:			
	General fund	Facilities Renovation	Total	
Nonmajor governmental funds.....	\$ 17,000	\$ -	\$ 17,000	(1)
Nonmajor governmental funds.....	543,295	-	543,295	(2)
Nonmajor governmental funds.....	92,250	-	92,250	(3)
Nonmajor governmental funds.....	18,921	-	18,921	(4)
Nonmajor governmental funds.....	-	424,759	424,759	(5)
Total.....	\$ 671,466	\$ 424,759	\$ 1,096,225	

- (1) – Transfer from Special Revenue Revolving Funds to support conservation operations.
(2) – Transfer from Special Revenue Ambulance Receipts to support ambulance operations.
(3) – Transfer from Special Revenue Sale of Lots Funds to support cemetery operations.
(4) – Transfer from Special Revenue Bond Premiums Funds to support debt service expenditures.
(5) – Transfer from Cell Tower Revolving Fund to fund the Islington Library and Community Center Project.

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 6,374,569	\$ -	\$ -	\$ 6,374,569
Construction in progress.....	649,393	4,565,917	-	5,215,310
Total capital assets not being depreciated....	7,023,962	4,565,917	-	11,589,879
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	136,903,666	560,090	-	137,463,756
Vehicles.....	10,403,884	420,931	(36,100)	10,788,715
Machinery and equipment.....	15,611,716	1,372,299	-	16,984,015
Infrastructure.....	63,825,936	2,869,092	(2,486,270)	64,208,758
Total capital assets being depreciated.....	226,745,202	5,222,412	(2,522,370)	229,445,244
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(53,404,191)	(3,773,839)	-	(57,178,030)
Vehicles.....	(8,728,414)	(695,806)	36,100	(9,388,120)
Machinery and equipment.....	(14,379,052)	(598,820)	-	(14,977,872)
Infrastructure.....	(35,277,839)	(2,972,673)	2,486,270	(35,764,242)
Total accumulated depreciation.....	(111,789,496)	(8,041,138)	2,522,370	(117,308,264)
Total capital assets being depreciated, net.....	114,955,706	(2,818,726)	-	112,136,980
Total governmental activities capital assets, net.....	\$ 121,979,668	\$ 1,747,191	\$ -	\$ 123,726,859

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 350,850	\$ -	\$ -	\$ 350,850
<u>Capital assets being depreciated:</u>				
Plant and infrastructure.....	19,680,272	143,210	(362,526)	19,460,956
Other buildings and improvements.....	6,339,070	-	-	6,339,070
Vehicles.....	478,469	103,054	-	581,523
Machinery and equipment.....	510,212	-	-	510,212
Total capital assets being depreciated.....	<u>27,008,023</u>	<u>246,264</u>	<u>(362,526)</u>	<u>26,891,761</u>
<u>Less accumulated depreciation for:</u>				
Plant and infrastructure.....	(10,181,255)	(598,052)	362,526	(10,416,781)
Other buildings and improvements.....	(4,328,910)	(120,021)	-	(4,448,931)
Vehicles.....	(396,114)	(42,287)	-	(438,401)
Machinery and equipment.....	(490,275)	(827)	-	(491,102)
Total accumulated depreciation.....	<u>(15,396,554)</u>	<u>(761,187)</u>	<u>362,526</u>	<u>(15,795,215)</u>
Total capital assets being depreciated, net.....	<u>11,611,469</u>	<u>(514,923)</u>	<u>-</u>	<u>11,096,546</u>
Total business-type activities capital assets, net....	<u>\$ 11,962,319</u>	<u>\$ (514,923)</u>	<u>\$ -</u>	<u>\$ 11,447,396</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government.....	\$ 209,208
Public safety.....	1,041,100
Education.....	2,699,768
Public works.....	3,365,925
Human services.....	42,151
Culture and recreation.....	682,986
Total depreciation expense - governmental activities.....	<u>\$ 8,041,138</u>
Business-Type Activities:	
Sewer.....	<u>\$ 761,187</u>

NOTE 6 – CAPITAL LEASES

The Town has entered into a lease agreement for financing the acquisition of fire trucks. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

<u>Asset:</u>	<u>Governmental Activities</u>
Vehicles.....	\$ 1,908,000
Less: accumulated depreciation.....	<u>(522,000)</u>
Total.....	<u>\$ 1,386,000</u>

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

<u>Years ending June 30:</u>	<u>Governmental Activities</u>
2022.....	\$ <u>226,357</u>
Less: amounts representing interest.....	<u>(4,042)</u>
Present value of minimum lease payments... \$	<u><u>222,315</u></u>

NOTE 7 – SHORT-TERM FINANCING

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

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).
- Federal and state aided capital projects and other program expenditures prior to receiving reimbursement through issuance of federal and state aid anticipation notes (FANS and SANS).

Short-term loans are general obligations of the Town and carry maturity dates that are limited by statute. Interest expenditures for short-term borrowings are accounted for in the General Fund and Sewer Enterprise Fund.

The Town had the following short-term debt activity during 2021:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2020	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2021
Governmental Funds:							
BAN	Road Way Improvements.....	2.00%	06/02/21	\$ 900,000	\$ -	\$ (900,000)	\$ -
BAN	School Feasibility Project.....	2.00%	06/02/21	950,000	-	(950,000)	-
BAN	Islington Library and Community Center.....	2.00%	06/02/21	1,300,000	-	(1,300,000)	-
BAN	School Feasibility Project.....	2.00%	04/08/22	-	950,000	-	950,000
BAN	Road Way Improvements.....	2.00%	04/08/22	-	3,500,000	-	3,500,000
Total Governmental Funds.....				\$ 3,150,000	\$ 4,450,000	\$ (3,150,000)	\$ 4,450,000

NOTE 8 – LONG-TERM DEBT

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5% of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, a Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

Details related to the Town's outstanding general obligation indebtedness at June 30, 2021, and the debt service requirements follow.

Governmental Bonds Payable

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020	Issued	Redeemed	Outstanding at June 30, 2021
Municipal Purpose Bonds of August 2008.....	2023	\$ 3,830,000	3.50 - 4.00	\$ 390,000	\$ -	\$ (130,000)	\$ 260,000
Municipal Purpose Bonds of June 2009 - Refunding....	2029	3,500,000	2.10 - 5.00	1,575,000	-	(1,575,000)	-
Municipal Purpose Bonds of March 2011 - Refunding..	2031	9,300,000	3.25 - 4.00	5,115,000	-	(5,115,000)	-
Municipal Purpose Bonds of March 2012.....	2023	19,095,000	2.00 - 4.00	5,360,000	-	(1,820,000)	3,540,000
Municipal Purpose Bonds of December 2012.....	2022	4,635,000	2.00 - 3.00	915,000	-	(460,000)	455,000
Municipal Purpose Bonds of May 2014.....	2024	1,400,000	2.00 - 2.50	560,000	-	(140,000)	420,000
Municipal Purpose Bonds of September 2015.....	2036	10,450,000	2.50 - 5.00	7,990,000	-	(615,000)	7,375,000
Municipal Purpose Bonds of September 2016.....	2046	16,645,000	2.00 - 4.00	13,640,000	-	(750,000)	12,890,000
Municipal Purpose Bonds of March 2021.....	2041	2,726,696	2.00 - 5.00	-	2,726,696	-	2,726,696
Municipal Purpose Bonds of March 2021 - Refunding..	2031	4,988,304	2.00 - 5.00	-	4,988,304	-	4,988,304
Total Bonds Payable.....				35,545,000	7,715,000	(10,605,000)	32,655,000
Add: Unamortized premium on bonds.....				1,432,418	1,455,490	(199,436)	2,688,472
Total Bonds Payable, net.....				\$ 36,977,418	\$ 9,170,490	\$ (10,804,436)	\$ 35,343,472

Enterprise Bonds Payable

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding		Outstanding at June 30, 2021	
				at June 30, 2020	Issued Redeemed		
Sewer General Obligation Bonds:							
Municipal Purpose Bonds of May 2014.....	2024	\$ 1,570,000	2.00 - 2.50	\$ 620,000	\$ -	\$ (155,000)	\$ 465,000
Sewer Direct Debt:							
Massachusetts Water Resources Authority - MWRA	2021	234,000	0.00	46,800	-	(46,800)	-
Total Enterprise Bonds Payable, net.....				\$ 666,800	\$ -	\$ (201,800)	\$ 465,000

Debt service requirements for principal and interest for general obligation bonds payable in the general fund in future years are as follows:

Year	Principal	Interest	Total
2022.....	\$ 4,525,000	\$ 1,072,236	\$ 5,597,236
2023.....	4,000,000	968,469	4,968,469
2024.....	2,120,000	816,439	2,936,439
2025.....	1,980,000	721,789	2,701,789
2026.....	1,975,000	630,239	2,605,239
2027.....	1,640,000	546,126	2,186,126
2028.....	1,635,000	480,601	2,115,601
2029.....	1,640,000	423,339	2,063,339
2030.....	1,510,000	364,639	1,874,639
2031.....	1,505,000	312,439	1,817,439
2032.....	1,025,000	271,889	1,296,889
2033.....	1,025,000	245,163	1,270,163
2034.....	1,025,000	218,763	1,243,763
2035.....	1,025,000	192,066	1,217,066
2036.....	1,025,000	163,922	1,188,922
2037.....	550,000	143,202	693,202
2038.....	550,000	129,900	679,900
2039.....	550,000	114,300	664,300
2040.....	550,000	98,700	648,700
2041.....	550,000	83,100	633,100
2042.....	460,000	67,500	527,500
2043.....	455,000	53,700	508,700
2044.....	455,000	40,050	495,050
2045.....	455,000	26,400	481,400
2046.....	425,000	12,750	437,750
Total.....	\$ 32,655,000	\$ 8,197,721	\$ 40,852,721

Debt service requirements for principal and interest for bonds payable in the sewer enterprise fund in future years are as follows:

Year	Principal	Interest	Total
2022.....	\$ 155,000	\$ 9,688	\$ 164,688
2023.....	155,000	6,588	161,588
2024.....	155,000	3,488	158,488
Total.....	\$ 465,000	\$ 19,763	\$ 484,763

In order to take advantage of favorable interest rates, the Town issued \$4,988,304 of General Obligation Refunding Bonds on April 8, 2021. The proceeds of the refunding bonds, including premiums and other available funds, were used to complete a current refunding of existing debt. The refunded bonds totaled \$6,225,000 and became callable on April 11, 2021. As a result of the transaction, the refunded bonds were paid down on the call date and the liability has been removed from the statement of net position. The transaction resulted in an economic gain of \$1,058,484 and a reduction of \$910,663 in future debt service payments.

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. During 2021, approximately \$1,401,000 of such assistance was received. Approximately \$2,803,000 will be received in future years. Of this amount, approximately \$86,000 represents reimbursement of long-term interest costs, and approximately \$2,717,000 represents reimbursement of approved construction costs. Accordingly, a \$2,717,000 intergovernmental receivable and corresponding unavailable revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

Beginning in 2005, the Commonwealth changed the method for funding the school building assistance program. Under the new program, the assistance is paid to support construction costs and reduce the total debt service of the Town. Through the end of 2021, the Town has recorded grant proceeds totaling \$520,000 related to the Hanlon Elementary School feasibility study, from the MSBA, which is equal to 35.42% of approved construction costs submitted for reimbursement. The Town anticipates receiving an additional \$205,000 related to the feasibility project. Accordingly, a \$205,000 intergovernmental receivable and corresponding deferred inflow of resources – unavailable revenue has been reported in the governmental fund financial statements. The unavailable revenue has been recognized as revenue in the conversion to the government-wide financial statements.

The Town is a member of the Massachusetts Water Resources Authority (MWRA) which offers its members interest free loans for various purposes. During the current year the Town made their final loan payment of \$46,800. There are no loans outstanding at June 30, 2021. The imputed interest on this loan is immaterial and has not been recognized by the Town.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2021, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Date Voted</u>	<u>Article</u>	<u>Amount</u>
MSBA feasibility study.....	5/30/2018	14	\$ 1,750,000
Road improvements.....	6/17/2020	13	4,650,000
MWRA.....	5/3/2021	6	500,000
Equipment.....	5/3/2021	12	650,000
Elementary schools bridge funding.....	5/3/2021	13	1,460,000
Total.....			\$ <u>9,010,000</u>

Changes in Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 35,545,000	\$ 7,715,000	\$ (10,605,000)	\$ -	\$ -	\$ 32,655,000	\$ 4,525,000
Add: Unamortized premium on bonds..	1,432,418	-	-	1,455,490	(199,436)	2,688,472	400,380
Total bonds payable.....	36,977,418	7,715,000	(10,605,000)	1,455,490	(199,436)	35,343,472	4,925,380
Capital lease obligations.....	439,348	-	-	-	(217,033)	222,315	222,315
Compensated absences.....	2,383,000	-	-	1,733,000	(1,536,000)	2,580,000	1,740,000
Net pension liability.....	41,375,978	-	-	(224,751)	(5,115,636)	36,035,591	-
Other postemployment benefits.....	36,020,366	-	-	1,362,512	(3,468,510)	33,914,368	-
Total governmental activity long-term liabilities.....	\$ 117,196,110	\$ 7,715,000	\$ (10,605,000)	\$ 4,326,251	\$ (10,536,615)	\$ 108,095,746	\$ 6,887,695
Business-Type Activities:							
Long-term bonds payable.....	\$ 620,000	\$ -	\$ (155,000)	\$ -	\$ -	\$ 465,000	\$ 155,000
Long-term direct borrowing payable.....	46,800	-	(46,800)	-	-	-	-
Total bonds payable.....	666,800	-	(201,800)	-	-	465,000	155,000
Compensated absences.....	18,000	-	-	19,000	(18,000)	19,000	19,000
Net pension liability.....	1,001,866	-	-	(5,441)	(123,869)	872,556	-
Other postemployment benefits.....	1,114,032	-	-	42,140	(107,274)	1,048,898	-
Total business-type activity long-term liabilities.....	\$ 2,800,698	\$ -	\$ (201,800)	\$ 55,699	\$ (249,143)	\$ 2,405,454	\$ 174,000

Compensated absence liabilities, net pension liabilities, and other postemployment benefit liabilities related to both governmental and business-type activities are normally paid from the general fund and sewer enterprise funds, respectively.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balances according to the constraints imposed on the use of those resources. There are two major types of fund balances, which are nonspendable and spendable.

GASB 54 provides for two major types of fund balance, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balances, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- **Restricted:** fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- **Assigned:** fund balances that contain self-imposed constraints of the government to be used for a particular purpose.

- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purpose exceed the amounts that are restricted, committed, or assigned to those purpose, it may be necessary to report a negative unassigned fund balance in that fund.

Massachusetts General Law allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to require majority vote and for appropriations from the fund required a two-thirds vote of the legislative body. The Town has established a capital stabilization fund, a general stabilization fund, a meals/hotel tax reserve fund, and a special education stabilization fund. At year end the balance of Town's Stabilization funds totaled \$8.0 million and is reported as unassigned fund balance within the General Fund.

As of June 30, 2021 , the governmental fund balance consisted of the following on the next page.

	General	Facilities Renovation	Roadway Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	435,922	\$ 435,922
Restricted for:					
Ambulance.....	-	-	-	1,178,287	1,178,287
Departmental grants and revolving funds.....	-	-	-	3,311,168	3,311,168
School lunch.....	-	-	-	159,076	159,076
Highway improvement.....	-	-	-	183,261	183,261
Education grants.....	-	-	-	320,330	320,330
Education revolving.....	-	-	-	2,069,262	2,069,262
Expendable governmental trusts.....	-	-	-	3,922	3,922
University station.....	-	-	-	116,097	116,097
Student activity.....	-	-	-	132,922	132,922
Fire station project.....	-	-	-	71,110	71,110
Cemetery.....	-	-	-	13,034	13,034
Other nonexpendable trust funds.....	-	-	-	132,259	132,259
Committed to:					
Articles and continuing appropriations:					
Select board.....	176,500	-	-	-	176,500
Information systems.....	922,386	-	-	-	922,386
Conservation commission.....	32,000	-	-	-	32,000
Mass housing and partnership/housing authority.....	81,724	-	-	-	81,724
Police department.....	26,231	-	-	-	26,231
Fire department.....	188,348	-	-	-	188,348
Education.....	2,343,136	-	-	-	2,343,136
Public works department.....	737,678	-	-	-	737,678
Human services.....	130,000	-	-	-	130,000
Public library.....	7,637	-	-	-	7,637
Culture and recreation.....	54,197	-	-	-	54,197
University Station.....	2,406,848	-	-	-	2,406,848
Assigned to:					
Accounting department.....	1,000	-	-	-	1,000
Legal department.....	473	-	-	-	473
Outside professional services.....	16,000	-	-	-	16,000
Police department.....	1,362	-	-	-	1,362
Fire department.....	8,203	-	-	-	8,203
Community and economic development.....	4,258	-	-	-	4,258
Department of public works.....	30,461	-	-	-	30,461
Building maintenance.....	12,979	-	-	-	12,979
Municipal & school field maintenance.....	3,308	-	-	-	3,308
Street lighting.....	603	-	-	-	603
Youth and family services commission.....	590	-	-	-	590
Veterans services.....	30,000	-	-	-	30,000
Public library.....	81,996	-	-	-	81,996
Office communications.....	5,705	-	-	-	5,705
Education.....	537,771	-	-	-	537,771
Waste/collection/disposal.....	95,000	-	-	-	95,000
Audit services.....	13,000	-	-	-	13,000
Free cash used for subsequent year budget.....	2,477,650	-	-	-	2,477,650
Unassigned.....	<u>16,589,070</u>	<u>(1,183,499)</u>	<u>(1,550,791)</u>	<u>-</u>	<u>13,854,780</u>
Total Fund Balances.....	<u>\$ 27,016,114</u>	<u>\$ (1,183,499)</u>	<u>\$ (1,550,791)</u>	<u>\$ 8,126,650</u>	<u>\$ 32,408,474</u>

NOTE 10 – STABILIZATION FUNDS

The Town has \$8.0 million in stabilization funds classified as part of the general fund in the governmental funds financial statements. The stabilization funds may be used for general and/or capital purposes upon Town Meeting approval.

NOTE 11 – 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 amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town is a member of the Commonwealth of Massachusetts' Group Insurance Commission (GIC), which offers premium based insurance plans to GIC members. The GIC sets the rates for participating municipalities annually. Municipalities participating in the GIC plans are assessed a .05% administrative fee on their premium over what the State employees pay.

The Town is a member of the Massachusetts Interlocal Insurance Association (MIIA), a public entity risk pool currently operating as a common risk management and insurance program for workers' compensation benefits for employees other than uniformed police and fire personnel. MIIA is self-sustaining through member premiums and reinsures through commercial companies for stop loss insurance. The total premiums assessed by MIIA to the Town during 2021 totaled \$321,000 and are recorded in the general fund.

The Town is self-insured for the workers' compensation claims of police officers and firefighters and are paid on a pay-as-you-go basis from the general fund. The estimated liability for workers' compensation claims is based on history and injury type. The Town's liability is not material at June 30, 2021, and therefore is not reported.

The Town is self-insured for unemployment compensation. During 2021, the Town appropriated \$136,000 to provide for anticipated costs of unemployment benefits. During 2021, claims related to unemployment compensation totaled \$65,000. The liability for unemployment compensation was not material at June 30, 2021, and therefore is not reported.

NOTE 12 – PENSION PLAN*Plan Description*

The Town is a member of the Norfolk County Retirement System (NCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 41 member units. The system is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. A copy of their audited financial report may be obtained by visiting <http://www.norfolkcountyretirement.org>.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute

directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2020. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$14,645,000 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$118,568,205 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

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

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

There were no changes of benefit terms that affected measurement of the total pension liability since the prior measurement date.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the NCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2020 was \$5,787,533, 24.37% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2021, the Town reported a liability of \$36,908,147, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2020, the Town's proportion was 7.226%, which increased from the December 31, 2019 proportion of 7.218%.

Pension Expense

For the year ended June 30, 2021, the Town recognized a pension expense of \$5,239,505, and reported deferred outflows of resources and inflows of resources related to pensions of \$2,074,676 and \$3,336,868, respectively.

The balances of deferred outflows and inflows at June 30, 2021 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 1,865,728	\$ -	\$ 1,865,728
Difference between projected and actual earnings, net.....	-	(3,216,761)	(3,216,761)
Changes in assumptions.....	165,440	-	165,440
Changes in proportion and proportionate share of contributions...	43,508	(120,107)	(76,599)
Total deferred outflows/(inflows) of resources.....	\$ 2,074,676	\$ (3,336,868)	\$ (1,262,192)

The Town pays their annual appropriation on July 1st of the current fiscal year and the measurement date is six months after the payment, on December 31st.

The deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022.....	\$ 281,643
2023.....	726,614
2024.....	(1,681,374)
2025.....	<u>(589,075)</u>
Total.....	\$ <u>(1,262,192)</u>

Actuarial Assumptions

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions.

Valuation date.....	January 1, 2020
Actuarial cost method.....	Entry Age Normal Cost Method.
Asset valuation method.....	Fair market value
Investment rate of return.....	7.75%
Discount rate.....	7.75%
Inflation rate.....	3.00%
Projected salary increases.....	3.50% - 5.50%
Cost of living adjustments.....	3.0% of first \$18,000 of retirement income.
Mortality rates.....	The RP-2014 Blue Collar Mortality Table with Scale with MP-2014.

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

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 January 1, 2020, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	30.50%	6.60%
International equities.....	15.50%	8.00%
Fixed income.....	20.50%	3.80%
Real estate.....	9.50%	8.20%
Private equity.....	10.00%	9.10%
Hedge funds.....	11.50%	7.20%
Real assets.....	2.50%	9.90%
Total.....	100.00%	

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. 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 of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
	<u> </u>	<u> </u>	<u> </u>
The Town's proportionate share of the net pension liability.....	\$ 49,688,153	\$ 36,908,147	\$ 25,860,407

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Norfolk County Retirement System financial report.

Changes in Assumptions

None.

Changes in Plan Provisions

None.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Town of Westwood administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and

the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 60% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 40% of their premium costs. For 2021, the Town’s contributed approximately \$3.6 million to the plan. For the year ended June 30, 2021, the Town’s average contribution rate was approximately 6.71% of covered-employee payroll.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to begin pre-funding its other postemployment benefit (OPEB) liabilities.

During 2021, the Town pre-funded future OPEB liabilities by contributing \$1,465,000 to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reporting within the Fiduciary Funds financial statements. As of June 30, 2021, the balance of this fund totaled \$15,452,174.

Measurement Date

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Employees Covered by Benefit Terms

The following table represents the Plan’s membership at June 30, 2021:

Active members.....	415
Retired members or beneficiaries currently receiving benefits.....	<u>451</u>
Total.....	<u><u>866</u></u>

Components of OPEB Liability

The following table represents the components of the Plan’s OPEB liability as of June 30, 2021:

Total OPEB liability.....	\$ 50,415,440
Less: OPEB plan’s fiduciary net position.....	<u>(15,452,174)</u>
Net OPEB liability.....	<u><u>\$ 34,963,266</u></u>
The OPEB plan’s fiduciary net position as a percentage of the total OPEB liability.....	30.65%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2019, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement that was updated to June 30, 2021 as follows:

Valuation date.....	June 30, 2019
Actuarial cost method.....	Entry Age Normal
Amortization method.....	Level Percentage of Payroll
Remaining amortization period.....	25 years from July 1, 2020
Asset valuation method.....	Fair market Value
Investment rate of return.....	7.00%
Discount rate.....	7.00% as of June 30, 2021
Inflation.....	3.00%
Health care trend rates.....	Non-Medicare: 7.00% decreasing by 0.25% for 10 years to an ultimate level of 4.50%. Medicare: 7.00% decreasing by 0.25% for 10 years to an ultimate level of 4.50%. Medicare Part B: 4.50%. Contributions: Retiree contributions are expected to increase with medical trend.
Mortality rates:	
<i>Pre-Retirement (Non-Teachers)</i>	RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2017
<i>Healthy Retiree (Non-Teachers)</i>	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2017
<i>Disabled Retiree (Non- Teachers)</i>	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2017
<i>Pre-Retirement (Teachers)</i>	RP-2014 White Collar Employee Mortality Table projected generationally with Scale MP-2016
<i>Healthy Retiree (Teachers)</i>	RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2016
<i>Disabled Retiree (Teachers)</i>	RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2016

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 29.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin.

The target allocation as of June 30, 2021, and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized below:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	22.00%	6.28%
International developed markets equity..	12.00%	7.00%
International emerging markets equity...	5.00%	8.82%
Core fixed income.....	15.00%	0.38%
High yield fixed income.....	8.00%	2.97%
Real estate.....	10.00%	3.50%
Commodities.....	4.00%	3.45%
Hedge fund, GTAA, risk parity.....	10.00%	2.35%
Private equity.....	14.00%	10.11%
Total.....	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan’s funding policy. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members. Therefore the long-term expected rate of return on the OPEB plan assets was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following table presents the Plan’s net OPEB liability, calculated using the discount rate of 7.00% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability.....	\$ 41,689,244	\$ 34,963,266	\$ 29,419,558

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

The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rates, as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 27,970,712	\$ 34,963,266	\$ 43,694,347

Summary of Significant Accounting Policies

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

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2020.....	\$ 47,654,181	\$ 10,519,783	\$ 37,134,398
Changes for the year:			
Service cost.....	1,503,625	-	1,503,625
Interest.....	3,368,418	-	3,368,418
Contributions - Employer.....	-	3,575,784	(3,575,784)
Net investment income.....	-	3,467,391	(3,467,391)
Benefit payments.....	(2,110,784)	(2,110,784)	-
Net change.....	2,761,259	4,932,391	(2,171,132)
Balances at June 30, 2021.....	\$ 50,415,440	\$ 15,452,174	\$ 34,963,266

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

For the year ended June 30, 2021 the Town recognized OPEB expense of \$2.5 million and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 496,210	\$ (548,708)	\$ (52,498)
Difference between projected and actual earnings, net.....	-	(1,840,891)	(1,840,891)
Changes in assumptions.....	-	(4,637,460)	(4,637,460)
Total deferred outflows/(inflows) of resources.....	\$ 496,210	\$ (7,027,059)	\$ (6,530,849)

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense in the following fiscal years:

<u>Year ended June 30:</u>	
2022.....	\$ (1,553,813)
2023.....	(1,519,381)
2024.....	(1,265,209)
2025.....	(1,364,196)
2026.....	<u>(828,250)</u>
 Total.....	 \$ <u>(6,530,849)</u>

Changes of Assumptions

None.

Changes in Plan Provisions

None.

NOTE 14 – COMMITMENTS

The Town is in the process of completing the renovating and expanding Wentworth Hall, which is also known as the Islington Branch Library. Portions of the Town's historical building are scheduled to be moved across the street from its current location. An expansion to the building and a new basement foundation will add space for offices for the youth and family services department and the basement will have a community room available for multiple uses. The total project cost is \$3.5 million.

The Town is also proceeding with a \$4.7 million road improvement project, approved by Town meeting in June 2020. This project will provide major enhancements to Route 109, the Town's main thoroughfare. That portion of the project is underway and was completed in calendar year 2020. The project will also provide for crosswalk enhancements and sidewalk upgrades throughout the Town.

The general fund has various pending transactions for goods and services related to articles and encumbrances totaling \$11.9 million.

NOTE 15 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards through June 30, 2021, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at

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

NOTE 16 – TAX INCREMENT FINANCING AGREEMENTS

The Town enters into tax increment financing (TIF) agreements with local businesses under Chapter 40, section 59 of the Massachusetts General Laws. Under this section of the law, localities may grant property tax exemptions of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdiction. The exemptions may be granted to any business located within or promising to relocate to the Town. Currently, there is one agreement in place for a new business, which went into effect in fiscal 2021. The terms of this agreement require the Town to exempt 95% of real estate taxes in year one, 75% in years two and three, and 25% in years four through thirteen. Starting in the fourteenth year, all years thereafter, the exemptions end, and the business will pay 100% of all real estate and personal property taxes. The tax forgiven in 2021 amounted to \$313,000.

The Town has not made any commitments as part of the agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 17 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The Town is considered an essential business and although it was closed to the public for a period of time, departments remained operational and most employees continued to perform their daily duties.

A number of businesses have been forced to stop or significantly reduce operations decreasing, the Town's portion of certain revenue. The Town has also incurred unanticipated costs specifically related to the pandemic.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2021. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding. In addition to funding from the CARES Act, there are several other federal and state grants available. The full extent of the financial impact however cannot be determined as of the date of the financial statements.

NOTE 18 – REVISION OF NET POSITION PREVIOUSLY REPORTED

Beginning net position of the governmental activities has been revised to reflect the implementation of GASB Statement #84, *Fiduciary Activities*. To reflect this change, the Town is reporting certain funds which had previously been reported as Agency Funds as Governmental Funds. This has resulted in the revision of the June 30, 2020, balances as follows:

	6/30/2020 Previously Reported Balances	Implementation of GASB Statement #84 Fiduciary Funds	Revised Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ 41,168,072	\$ 152,753	\$ 41,320,825
Governmental funds			
Nonmajor governmental funds.....	\$ 7,536,772	\$ 152,753	\$ 7,689,525

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 22, 2021, which is the date the financial statements were available to be issued.

NOTE 20 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2021, the following GASB pronouncements were implemented:

- GASB Statement #84, *Fiduciary Activities*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*. This pronouncement did not impact the basic financial statements.
- GASB Statement #98, *The Annual Comprehensive Financial Report*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.

- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which is required to be implemented in 2022.

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

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 82,917,582	\$ 82,917,582	\$ 82,412,862	\$ -	\$(504,720)
Motor vehicle excise taxes.....	2,680,000	2,680,000	3,648,226	-	968,226
Charges for services.....	270,000	270,000	203,592	-	(66,408)
Penalties and interest on taxes.....	90,000	90,000	125,581	-	35,581
Licenses and permits.....	657,915	657,915	1,103,258	-	445,343
Fines and forfeitures.....	20,500	20,500	2,664	-	(17,836)
Intergovernmental.....	7,902,312	7,902,312	7,865,828	-	(36,484)
Departmental and other.....	387,442	387,442	447,616	-	60,174
Investment income.....	90,000	90,000	69,047	-	(20,953)
TOTAL REVENUES.....	95,015,751	95,015,751	95,878,674	-	862,923
EXPENDITURES:					
GENERAL GOVERNMENT					
SELECT BOARD					
Salaries.....	678,856	678,856	678,834	-	22
Expenditures.....	57,500	57,500	33,278	-	24,222
TOTAL.....	736,356	736,356	712,112	-	24,244
FINANCE AND WARRANT COMMISSION					
Salaries.....	20,309	20,309	19,946	-	363
Expenditures.....	43,900	43,900	38,951	-	4,949
TOTAL.....	64,209	64,209	58,897	-	5,312
ACCOUNTING DEPARTMENT					
Salaries.....	272,435	272,435	271,952	-	483
Expenditures.....	7,000	7,000	2,148	1,000	3,852
TOTAL.....	279,435	279,435	274,100	1,000	4,335
ASSESSORS DEPARTMENT					
Salaries.....	218,502	218,502	218,477	-	25
Expenditures.....	22,450	22,450	16,331	-	6,119
TOTAL.....	240,952	240,952	234,808	-	6,144
TREASURER'S DEPARTMENT					
Salaries.....	120,035	120,035	119,875	-	160
Expenditures.....	10,350	10,350	7,168	-	3,182
TOTAL.....	130,385	130,385	127,043	-	3,342
COLLECTOR'S DEPARTMENT					
Salaries.....	123,156	123,156	123,153	-	3
Expenditures.....	84,350	84,350	84,338	-	12
TOTAL.....	207,506	207,506	207,491	-	15
LEGAL DEPARTMENT					
Salaries.....	103,163	103,163	102,984	-	179
Expenditures.....	129,630	129,630	108,551	473	20,606
TOTAL.....	232,793	232,793	211,535	473	20,785
HUMAN RESOURCES					
Salaries.....	255,065	255,065	243,665	-	11,400
Expenditures.....	7,500	7,500	1,157	-	6,343
TOTAL.....	262,565	262,565	244,822	-	17,743

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
INFORMATION SYSTEMS DEPARTMENT					
Salaries.....	311,025	311,025	282,715	-	28,310
Expenditures.....	89,583	89,583	89,570	-	13
TOTAL.....	400,608	400,608	372,285	-	28,323
TOWN CLERK DEPARTMENT					
Expenditures.....	272,622	272,622	262,313	-	10,309
MASS HOUSING PARTNERSHIP/ HOUSING AUTHORITY					
Salaries.....	22,793	22,793	22,508	-	285
Expenditures.....	11,600	11,600	4,500	-	7,100
TOTAL.....	34,393	34,393	27,008	-	7,385
OUTSIDE PROFESSIONAL SERVICES					
Expenditures.....	46,500	46,500	21,579	16,000	8,921
TRAINING/PROFESSIONAL DEVELOPMENT					
Expenditures.....	15,000	15,000	5,325	-	9,675
Total General Government.....	2,923,324	2,923,324	2,759,318	17,473	146,533
PUBLIC SAFETY					
POLICE DEPARTMENT.....					
	4,824,706	4,824,706	4,648,567	1,362	174,777
FIRE DEPARTMENT.....					
	4,953,548	4,953,548	4,934,144	8,203	11,201
Total Public Safety.....	9,778,254	9,778,254	9,582,711	9,565	185,978
COMMUNITY AND ECONOMIC DEVELOPMENT					
Expenditures.....	1,195,731	1,195,731	1,158,218	4,258	33,255
DEPARTMENT OF PUBLIC WORKS					
Salaries.....	1,734,231	1,734,231	1,734,231	-	-
Expenditures.....	563,562	563,562	508,725	30,461	24,376
TOTAL.....	2,297,793	2,297,793	2,242,956	30,461	24,376
BUILDING MAINTENANCE					
Salaries.....	311,749	311,749	309,788	-	1,961
Expenditures.....	1,039,100	1,039,100	992,536	12,979	33,585
TOTAL.....	1,350,849	1,350,849	1,302,324	12,979	35,546
MUNICIPAL & SCHOOL FIELD MAINTENANCE					
Expenditures.....	180,000	180,000	175,309	3,308	1,383
SNOW AND ICE					
Expenditures.....	450,000	600,000	523,613	-	76,387
STREET LIGHTING					
Expenditures.....	115,000	135,000	134,397	603	-
Total Public Works.....	4,393,642	4,563,642	4,378,599	47,351	137,692

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
HUMAN SERVICES					
DISABILITY COMMISSION					
Expenditures.....	500	500	-	-	500
COUNCIL ON AGING					
Salaries.....	371,940	371,940	371,936	-	4
Expenditures.....	38,850	38,850	29,521	-	9,329
TOTAL.....	410,790	410,790	401,457	-	9,333
YOUTH AND FAMILY SERVICES COMMISSION					
Salaries.....	281,320	281,320	281,257	-	63
Expenditures.....	15,015	15,015	11,424	590	3,001
TOTAL.....	296,335	296,335	292,681	590	3,064
VETERANS SERVICES					
Salaries.....	64,830	64,830	64,256	-	574
Expenditures.....	71,640	71,640	38,698	30,000	2,942
TOTAL.....	136,470	136,470	102,954	30,000	3,516
Total Human Services.....	844,095	844,095	797,092	30,590	16,413
CULTURE AND RECREATION					
RECREATION					
Salaries.....	472,520	472,520	463,503	-	9,017
Expenditures.....	15,784	15,784	14,616	-	1,168
TOTAL.....	488,304	488,304	478,119	-	10,185
PUBLIC LIBRARY					
Salaries.....	1,162,531	1,162,531	1,042,897	81,996	37,638
Expenditures.....	328,070	328,070	310,826	-	17,244
Lost Books.....	1,600	1,600	815	-	785
TOTAL.....	1,492,201	1,492,201	1,354,538	81,996	55,667
MEMORIAL/VETERAN'S DAY/WESTWOOD DAY					
Expenditures.....	23,800	23,800	12,188	-	11,612
Total Culture and Recreation.....	2,004,305	2,004,305	1,844,845	81,996	77,464
OTHER					
OFFICE COMMUNICATIONS					
Expenditures.....	163,219	163,219	157,446	5,704	69
HARDWARE/SOFTWARE MAINTENANCE					
Expenditures.....	415,365	415,365	415,359	-	6
Total Other.....	578,584	578,584	572,805	5,704	75
WESTWOOD PUBLIC SCHOOLS					
PUBLIC SCHOOLS.....	51,417,424	51,417,424	46,963,737	4,450,317	3,370
BLUE HILLS REGIONAL.....	132,293	132,293	132,293	-	-
CROSSING GUARDS					
Salaries.....	113,077	113,077	84,729	-	28,348
Expenditures.....	3,000	3,000	848	-	2,152
TOTAL.....	116,077	116,077	85,577	-	30,500
Total School Budget.....	51,665,794	51,665,794	47,181,607	4,450,317	33,870

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
SCHOOL AND MUNICIPAL FIXED COSTS					
CONTRIBUTORY PENSION BENEFITS.....	5,787,533	5,787,533	5,787,533	-	-
EMPLOYEE BENEFITS.....	10,366,598	10,366,598	9,106,143	-	1,260,455
GENERAL LIABILITY INSURANCE.....	579,600	579,600	462,938	-	116,662
WASTE/COLLECTION/DISPOSAL.....	1,553,164	1,553,164	1,420,991	95,000	37,173
AUDIT SERVICES.....	94,250	94,250	80,804	13,000	446
Total Benefits and Shared Costs.....	18,381,145	18,381,145	16,858,409	108,000	1,414,736
RESERVE FUNDS					
Other/Select Board fund.....	295,000	140,000	-	-	140,000
Special Town Meeting Reserve.....	25,000	25,000	-	-	25,000
Reserve Fund.....	405,000	405,000	-	-	405,000
Total Reserves.....	725,000	570,000	-	-	570,000
UNIVERSITY STATION.....	2,477,159	2,477,159	70,311	2,406,848	-
CAPITAL OUTLAY.....	7,060,042	7,195,042	2,493,150	4,699,838	2,054
STATE AND COUNTY ASSESSMENTS.....	691,591	691,591	707,329	-	(15,738)
DEBT SERVICE PRINCIPAL.....	4,706,300	4,381,300	4,380,000	-	1,300
DEBT SERVICE INTEREST.....	1,243,479	1,568,479	1,568,479	-	-
TOTAL EXPENDITURES.....	108,668,445	108,818,445	94,352,873	11,861,940	2,603,632
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(13,652,694)	(13,802,694)	1,525,801	(11,861,940)	3,466,555
OTHER FINANCING SOURCES (USES):					
Transfers in.....	1,018,185	1,085,685	1,085,685	-	-
Transfers out.....	(125,000)	(125,000)	(125,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	893,185	960,685	960,685	-	-
NET CHANGE IN FUND BALANCE.....	(12,759,509)	(12,842,009)	2,486,486	(11,861,940)	3,466,555
BUDGETARY FUND BALANCE, Beginning of year.....	20,102,046	20,102,046	20,102,046	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 7,342,537	\$ 7,260,037	\$ 22,588,532	\$ (11,861,940)	\$ 3,466,555

(Concluded)

See notes to required supplementary information.

Retirement System Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2020.....	7.23%	\$ 36,908,147	\$ 23,510,325	156.99%	70.20%
December 31, 2019.....	7.22%	42,377,844	22,715,203	186.56%	64.60%
December 31, 2018.....	7.24%	47,141,103	21,953,678	214.73%	58.30%
December 31, 2017.....	7.24%	40,010,418	21,211,283	188.63%	63.50%
December 31, 2016.....	7.39%	38,565,987	20,770,111	185.68%	61.60%
December 31, 2015.....	7.39%	40,131,499	19,710,504	203.60%	58.60%
December 31, 2014.....	6.83%	35,408,720	16,856,918	210.05%	60.10%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2021.....	\$ 5,787,533	\$ (5,787,533)	-	\$ 23,745,428	24.37%
June 30, 2020.....	5,406,233	(5,406,233)	-	22,942,355	23.56%
June 30, 2019.....	5,066,340	(5,066,340)	-	22,173,215	22.85%
June 30, 2018.....	4,631,206	(4,631,206)	-	21,423,396	21.62%
June 30, 2017.....	3,946,275	(3,946,275)	-	20,977,812	18.81%
June 30, 2016.....	3,583,777	(3,583,777)	-	19,907,609	18.00%
June 30, 2015.....	3,303,348	(3,303,348)	-	17,025,487	19.40%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2021.....	\$ 118,568,205	\$ 14,644,872	50.67%
2020.....	104,780,328	12,706,000	53.95%
2019.....	98,045,795	9,935,522	54.84%
2018.....	95,349,061	9,951,859	54.25%
2017.....	91,845,701	9,368,864	52.73%
2016.....	83,664,175	6,785,909	55.38%
2015.....	63,201,321	4,390,899	61.64%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Total OPEB Liability					
Service Cost.....	\$ 1,237,052	\$ 1,495,348	\$ 1,542,520	\$ 1,591,178	\$ 1,503,625
Interest.....	3,287,987	3,247,123	3,455,390	3,677,936	3,368,418
Differences between expected and actual experience....	(1,920,473)	-	-	694,693	-
Changes of assumptions.....	-	-	-	(6,492,442)	-
Benefit payments.....	(1,995,030)	(1,830,497)	(2,006,530)	(1,912,326)	(2,110,784)
Net change in total OPEB liability.....	609,536	2,911,974	2,991,380	(2,440,961)	2,761,259
Total OPEB liability - beginning.....	43,582,252	44,191,788	47,103,762	50,095,142	47,654,181
Total OPEB liability - ending (a).....	<u>\$ 44,191,788</u>	<u>\$ 47,103,762</u>	<u>\$ 50,095,142</u>	<u>\$ 47,654,181</u>	<u>\$ 50,415,440</u>
Plan fiduciary net position					
Employer contributions.....	\$ 1,350,000	\$ 1,390,000	\$ 1,415,000	\$ 1,440,000	\$ 1,465,000
Employer contributions for OPEB payments.....	1,995,030	1,830,497	2,006,530	1,912,326	2,110,784
Net investment income.....	533,515	587,125	458,279	200,978	3,467,391
Benefit payments.....	(1,995,030)	(1,830,497)	(2,006,530)	(1,912,326)	(2,110,784)
Net change in plan fiduciary net position.....	1,883,515	1,977,125	1,873,279	1,640,978	4,932,391
Plan fiduciary net position - beginning of year.....	3,144,886	5,028,401	7,005,526	8,878,805	10,519,783
Plan fiduciary net position - end of year (b).....	<u>\$ 5,028,401</u>	<u>\$ 7,005,526</u>	<u>\$ 8,878,805</u>	<u>\$ 10,519,783</u>	<u>\$ 15,452,174</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 39,163,387</u>	<u>\$ 40,098,236</u>	<u>\$ 41,216,337</u>	<u>\$ 37,134,398</u>	<u>\$ 34,963,266</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	11.38%	14.87%	17.72%	22.08%	30.65%
Covered-employee payroll.....	\$ 42,772,363	\$ 43,392,562	\$ 44,053,798	\$ 45,266,989	\$ 53,275,514
Net OPEB liability as a percentage of covered-employee payroll.....	91.56%	92.41%	93.56%	82.03%	65.63%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

Note: Contributions are negotiated between the Town and union representatives and are based on a percentage of pay-as-you-go premiums, not on a percentage of payroll. Accordingly, the RSI schedules use covered-employee payroll.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2021.....	\$ 3,868,237	\$ (3,575,784)	\$ 292,453	\$ 53,275,514	6.71%
June 30, 2020.....	3,729,685	(3,352,326)	377,359	45,266,989	7.41%
June 30, 2019.....	4,091,003	(3,421,530)	669,473	44,053,798	7.77%
June 30, 2018.....	3,920,310	(3,220,497)	699,813	43,392,562	7.42%
June 30, 2017.....	3,448,958	(3,345,030)	103,928	42,772,363	7.82%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2021.....	29.60%
June 30, 2020.....	1.97%
June 30, 2019.....	5.52%
June 30, 2018.....	9.50%
June 30, 2017.....	12.53%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTING

Budgetary Information

Municipal Law requires the Town to adopt a balanced budget that is approved by Town Meeting. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority Special Town Meeting approval via a special article.

The majority of the Town’s appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year’s original budget.

Generally, expenditures may not exceed the legal level of spending authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of Town Meeting.

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2021 approved budget for the General Fund authorized approximately \$108.8 million in appropriations and other amounts to be raised and \$9.2 million in encumbrances and appropriations carried over from previous years. During 2021, the Town increased the original budget by \$150,000, which was primarily due to the supplementary appropriations from free cash and the reserve funds to fund the capital outlay budget and the public works budget.

The Town Accountant’s office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the Town’s accounting system.

Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts (Commonwealth)) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the General Fund for the year ended June 30, 2021, is presented on the following page.

Net change in fund balance - budgetary basis.....	\$	2,486,486
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		625,309
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		55,824
Net change in recording 60 day receipts.....		(5,981)
Net change in recording accrued expenditures.....		(896,736)
Net change in recording accrued receipts.....		102,727
Recognition of revenue for on-behalf payments.....		14,644,872
Recognition of expenditures for on-behalf payments.....		<u>(14,644,872)</u>
Net change in fund balance - GAAP basis.....	\$	<u>2,367,629</u>

Appropriation Deficit

The Town reported an appropriation deficit in the state and county assessments budget. The Town is not required to raise the state and county assessment deficit.

NOTE B – PENSION PLAN***Pension Plan Schedules***Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

Changes in Assumptions

None.

Changes in Plan Provisions

None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“The Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

The Other Postemployment Benefit Plan

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered-employee payroll.

Schedule of the Town’s Contributions

The Schedule of the Town’s Contributions includes the Town’s annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarially contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are as follows on the next page.

Valuation date.....	June 30, 2019
Actuarial cost method.....	Entry Age Normal
Amortization method.....	Level Percentage of Payroll
Remaining amortization period.....	25 years from July 1, 2020
Asset valuation method.....	Fair market Value
Investment rate of return.....	7.00%
Discount rate.....	7.00% as of June 30, 2021
Inflation.....	3.00%
Health care trend rates.....	Non-Medicare: 7.00% decreasing by 0.25% for 10 years to an ultimate level of 4.50%. Medicare: 7.00% decreasing by 0.25% for 10 years to an ultimate level of 4.50%. Medicare Part B: 4.50%. Contributions: Retiree contributions are expected to increase with medical trend.
Mortality rates:	
<i>Pre-Retirement (Non-Teachers)</i>	RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2017
<i>Healthy Retiree (Non-Teachers)</i>	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2017
<i>Disabled Retiree (Non- Teachers)</i>	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2017
<i>Pre-Retirement (Teachers)</i>	RP-2014 White Collar Employee Mortality Table projected generationally with Scale MP-2016
<i>Healthy Retiree (Teachers)</i>	RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2016
<i>Disabled Retiree (Teachers)</i>	RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2016

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan’s other postemployment assets, net of investment expense.

Changes of Assumptions

None.

Changes in Plan Provisions

None.

Other Supplementary Information

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Combining Statements

The combining financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than permanent funds or major capital project funds) that are restricted by law or administrative action to expenditures for specific purposes. The Town's special revenue funds are grouped into the following categories:

- ***School Lunch Fund*** – accounts for the operations of the public school lunch program.
- ***Ambulance Fund*** – accounts for the fees collected for ambulance services which can legally only be appropriated for costs to provide the service, such as Emergency Medical Technician firefighter stipend and ambulance supplies.
- ***Departmental Grants/Other Revolving Funds*** – accounts for various grants and legally restricted revenues for special programs administered by Town departments.
- ***Educational Grants Funds*** – accounts for all educational programs specially financed by grants and other restricted revenues.
- ***Educational Revolving Funds*** – accounts for educational programs financed by non-grant revenues and gifts.
- ***Expendable Governmental Trusts*** – accounts for contributions where both principal and investment earnings may be spent to support the government.
- ***Highway Improvement Fund*** – accounts for funds received from the State Highway Department which is used for construction, reconstruction and improvements of roadways.
- ***University Station*** – accounts for the remaining dedicated revenues and expenditures related to the Town's high profile commercial development project which has been substantially completed.
- ***Student Activity Funds*** – accounts for funds used to support student extra-curricular student activities.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or improvement of major capital assets (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's grouping for non-major capital project funds is as described as follows:

- ***Fire Station Project*** – accounts for renovation, improvements and capital equipment associated with the new fire station.

Permanent Funds

Permanent Funds are used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

- ***Cemetery Fund*** – accounts for contributions associated with cemetery care and maintenance.
- ***Other Nonexpendable Trust Funds*** – accounts for various contributions associated with the public library, schools and veterans services.

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**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2021

	Special Revenue Funds						
	School Lunch	Ambulance	Departmental Grants/Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trusts	Highway Improvement
ASSETS							
Cash and cash equivalents.....	\$ 160,975	\$ 1,178,287	\$ 4,381,660	\$ 1,052,421	\$ 2,069,262	\$ 3,922	\$ 183,261
Investments.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Departmental and other.....	-	472,650	143,669	-	-	-	-
Intergovernmental.....	-	-	30,954	-	-	-	733,531
TOTAL ASSETS.....	\$ 160,975	\$ 1,650,937	\$ 4,556,283	\$ 1,052,421	\$ 2,069,262	\$ 3,922	\$ 916,792
LIABILITIES							
Warrants payable.....	\$ 1,899	\$ -	\$ 38,412	\$ -	\$ -	\$ -	\$ -
Other liabilities.....	-	-	584,517	-	-	-	-
Unearned revenue.....	-	-	622,186	732,091	-	-	-
TOTAL LIABILITIES.....	1,899	-	1,245,115	732,091	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue.....	-	472,650	-	-	-	-	733,531
FUND BALANCES							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	159,076	1,178,287	3,311,168	320,330	2,069,262	3,922	183,261
TOTAL FUND BALANCES.....	159,076	1,178,287	3,311,168	320,330	2,069,262	3,922	183,261
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 160,975	\$ 1,650,937	\$ 4,556,283	\$ 1,052,421	\$ 2,069,262	\$ 3,922	\$ 916,792

(Continued)

		Capital Project Fund		Permanent Funds			Total Nonmajor Governmental Funds
University Station	Student Activity	Subtotal	Fire Station Project	Cemetery	Other Nonexpendable Trust Funds	Subtotal	
\$ 116,097	\$ 132,922	\$ 9,278,807	\$ 71,110	\$ 436,458	\$ 95,681	\$ 532,139	\$ 9,882,056
-	-	-	-	-	49,076	49,076	49,076
-	-	616,319	-	-	-	-	616,319
-	-	764,485	-	-	-	-	764,485
<u>\$ 116,097</u>	<u>\$ 132,922</u>	<u>\$ 10,659,611</u>	<u>\$ 71,110</u>	<u>\$ 436,458</u>	<u>\$ 144,757</u>	<u>\$ 581,215</u>	<u>\$ 11,311,936</u>
\$ -	\$ -	\$ 40,311	\$ -	\$ -	\$ -	\$ -	\$ 40,311
-	-	584,517	-	-	-	-	584,517
-	-	1,354,277	-	-	-	-	1,354,277
-	-	1,979,105	-	-	-	-	1,979,105
-	-	1,206,181	-	-	-	-	1,206,181
-	-	-	-	423,424	12,498	435,922	435,922
116,097	132,922	7,474,325	71,110	13,034	132,259	145,293	7,690,728
116,097	132,922	7,474,325	71,110	436,458	144,757	581,215	8,126,650
<u>\$ 116,097</u>	<u>\$ 132,922</u>	<u>\$ 10,659,611</u>	<u>\$ 71,110</u>	<u>\$ 436,458</u>	<u>\$ 144,757</u>	<u>\$ 581,215</u>	<u>\$ 11,311,936</u>

(Concluded)

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

	Special Revenue Funds						
	School Lunch	Ambulance	Departmental Grants/Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trusts	Highway Improvement
REVENUES:							
Charges for services.....	\$ 27,408	\$ 788,031	\$ 995,932	\$ -	\$ 1,336,439	\$ -	\$ -
Intergovernmental.....	183,508	-	1,746,339	2,326,201	-	-	701,976
Departmental and other.....	-	-	811,282	-	-	-	-
Contributions and donations.....	-	-	130,053	-	91,325	-	-
Investment income.....	-	-	-	-	-	-	-
TOTAL REVENUES.....	210,916	788,031	3,683,606	2,326,201	1,427,764	-	701,976
EXPENDITURES:							
Current:							
General government.....	-	-	1,847,235	-	-	-	-
Public safety.....	-	-	60,468	-	-	-	-
Education.....	51,840	-	-	2,804,249	720,500	-	-
Public works.....	-	-	548,978	-	-	-	701,976
Human services.....	-	-	68,826	-	-	-	-
Culture and recreation.....	-	-	749,171	-	-	-	-
University station.....	-	-	-	-	-	-	-
TOTAL EXPENDITURES.....	51,840	-	3,274,678	2,804,249	720,500	-	701,976
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	159,076	788,031	408,928	(478,048)	707,264	-	-
OTHER FINANCING SOURCES (USES):							
Premium from issuance of bonds.....	-	-	175,532	-	-	-	-
Transfers out.....	-	(543,295)	(552,930)	-	-	-	-
NET CHANGE IN FUND BALANCES.....	159,076	244,736	31,530	(478,048)	707,264	-	-
FUND BALANCES AT BEGINNING OF YEAR, AS REVISED.....	-	933,551	3,279,638	798,378	1,361,998	3,922	183,261
FUND BALANCES AT END OF YEAR.....	\$ 159,076	\$ 1,178,287	\$ 3,311,168	\$ 320,330	\$ 2,069,262	\$ 3,922	\$ 183,261

(Continued)

		Capital Project Fund		Permanent Funds			Total Nonmajor Governmental Funds
University Station	Student Activity	Subtotal	Fire Station Project	Cemetery	Other Nonexpendable Trust Funds	Subtotal	
\$ -	\$ -	\$ 3,147,810	\$ -	\$ -	\$ -	\$ -	\$ 3,147,810
-	-	4,958,024	-	-	-	-	4,958,024
68,189	68,691	948,162	-	-	-	-	948,162
-	-	221,378	-	8,640	-	8,640	230,018
-	-	-	-	6,785	9,803	16,588	16,588
<u>68,189</u>	<u>68,691</u>	<u>9,275,374</u>	<u>-</u>	<u>15,425</u>	<u>9,803</u>	<u>25,228</u>	<u>9,300,602</u>
-	-	1,847,235	-	-	-	-	1,847,235
-	-	60,468	159,312	-	-	-	219,780
-	88,522	3,665,111	-	-	-	-	3,665,111
-	-	1,250,954	-	-	-	-	1,250,954
-	-	68,826	-	-	-	-	68,826
-	-	749,171	-	-	-	-	749,171
<u>141,707</u>	<u>-</u>	<u>141,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,707</u>
<u>141,707</u>	<u>88,522</u>	<u>7,783,472</u>	<u>159,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,942,784</u>
<u>(73,518)</u>	<u>(19,831)</u>	<u>1,491,902</u>	<u>(159,312)</u>	<u>15,425</u>	<u>9,803</u>	<u>25,228</u>	<u>1,357,818</u>
-	-	175,532	-	-	-	-	175,532
-	-	(1,096,225)	-	-	-	-	(1,096,225)
(73,518)	(19,831)	571,209	(159,312)	15,425	9,803	25,228	437,125
<u>189,615</u>	<u>152,753</u>	<u>6,903,116</u>	<u>230,422</u>	<u>421,033</u>	<u>134,954</u>	<u>555,987</u>	<u>7,689,525</u>
<u>\$ 116,097</u>	<u>\$ 132,922</u>	<u>\$ 7,474,325</u>	<u>\$ 71,110</u>	<u>\$ 436,458</u>	<u>\$ 144,757</u>	<u>\$ 581,215</u>	<u>\$ 8,126,650</u>

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Statistical Section

*Ten Year History of the Following
Major Categories:*

Expenditures

Revenues

Property Tax Collections

Debt

Town Demographics and Economic Information

General Information



Westwood's Islington Center has undergone significant redevelopment in recent years and plans are in place to continue these efforts. Included are a new fire station, increased affordable housing, and redesign of existing buildings to maintain the village appearance of existing structures.

Statistical Section

This part of the Town of Westwood Annual Comprehensive Financial Report presents detailed 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 Annual Comprehensive Financial Reports for the relevant year.

Town of Westwood, Massachusetts

Net Position By Component

Last Ten Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities:										
Net invested in capital assets.....	\$ 99,367,799	\$ 96,462,678	\$ 95,611,881	\$ 97,303,917	\$ 94,483,050	\$ 92,145,970	\$ 93,029,094	\$ 91,036,787	\$ 88,081,335	\$ 87,804,709
Restricted.....	1,878,233	1,806,455	1,655,112	1,533,978	2,061,713	2,038,029	1,453,460	1,626,890	1,924,179	3,016,572
Unrestricted.....	<u>60,536</u>	<u>(125,175)</u>	<u>(29,404,389)</u>	<u>(32,182,981)</u>	<u>(31,409,160)</u>	<u>(43,139,092)</u>	<u>(44,349,631)</u>	<u>(50,107,549)</u>	<u>(48,684,689)</u>	<u>(44,532,369)</u>
Total governmental activities net position.....	\$ <u>101,306,568</u>	\$ <u>98,143,958</u>	\$ <u>67,862,604</u>	\$ <u>66,654,914</u>	\$ <u>65,135,603</u>	\$ <u>51,044,907</u>	\$ <u>50,132,923</u>	\$ <u>42,556,128</u>	\$ <u>41,320,825</u>	\$ <u>46,288,912</u>
Business-type activities:										
Net invested in capital assets.....	\$ 12,371,623	\$ 12,309,207	\$ 11,776,682	\$ 11,209,128	\$ 11,327,932	\$ 11,435,385	\$ 11,252,920	\$ 11,513,146	\$ 11,295,519	\$ 10,982,396
Unrestricted.....	<u>4,558,778</u>	<u>4,072,081</u>	<u>3,146,433</u>	<u>4,451,172</u>	<u>5,204,759</u>	<u>4,434,549</u>	<u>5,023,639</u>	<u>4,717,240</u>	<u>4,283,285</u>	<u>4,400,509</u>
Total business-type activities net position.....	\$ <u>16,930,401</u>	\$ <u>16,381,288</u>	\$ <u>14,923,115</u>	\$ <u>15,660,300</u>	\$ <u>16,532,691</u>	\$ <u>15,869,934</u>	\$ <u>16,276,559</u>	\$ <u>16,230,386</u>	\$ <u>15,578,804</u>	\$ <u>15,382,905</u>
Primary government:										
Net invested in capital assets.....	\$ 111,739,422	\$ 108,771,885	\$ 107,388,563	\$ 108,513,045	\$ 105,810,982	\$ 103,581,355	\$ 104,282,014	\$ 102,549,933	\$ 99,376,854	\$ 98,787,105
Restricted.....	1,878,233	1,806,455	1,655,112	1,533,978	2,061,713	2,038,029	1,453,460	1,626,890	1,924,179	3,016,572
Unrestricted.....	<u>4,619,314</u>	<u>3,946,906</u>	<u>(26,257,956)</u>	<u>(27,731,809)</u>	<u>(26,204,401)</u>	<u>(38,704,543)</u>	<u>(39,325,992)</u>	<u>(45,390,309)</u>	<u>(44,401,404)</u>	<u>(40,131,860)</u>
Total primary government net position.....	\$ <u>118,236,969</u>	\$ <u>114,525,246</u>	\$ <u>82,785,719</u>	\$ <u>82,315,214</u>	\$ <u>81,668,294</u>	\$ <u>66,914,841</u>	\$ <u>66,409,482</u>	\$ <u>58,786,514</u>	\$ <u>56,899,629</u>	\$ <u>61,671,817</u>

The Town implemented GASB 68 and recorded their Net Pension Liability for the first time in 2015 and the 2014 balances were revised to reflect the associated changes.
The Town implemented GASB 75 and revised beginning net position during 2018. Fiscal year 2017 balances were also revised to reflect the implementation of GASB 75.
The Town revised 2019 beginning balance due to the change in measurement date for GASB 75.
The Town implemented GASB 84 and revised beginning net position during 2021. Fiscal year 2020 balances were also revised to reflect the implementation of GASB 84.

Town of Westwood, Massachusetts

Changes in Net Position

Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government.....	\$ 4,844,921	\$ 5,860,321	\$ 4,630,834	\$ 4,662,820	\$ 5,921,843	\$ 5,617,221	\$ 6,307,003	\$ 7,226,614	\$ 8,070,974	\$ 7,552,228
Public safety.....	9,391,010	9,735,929	10,215,841	10,470,500	11,661,076	12,380,718	13,132,322	15,599,311	14,987,307	14,380,047
Education.....	54,472,071	57,774,167	58,068,384	59,970,747	64,002,507	69,129,730	70,725,736	74,680,317	76,622,782	75,698,158
Public works.....	7,204,025	8,351,807	8,697,469	9,028,119	9,033,773	9,387,133	9,633,100	10,038,445	10,304,186	11,816,463
Human services.....	1,157,238	1,218,894	1,138,997	1,228,151	1,426,588	1,428,184	1,830,094	1,903,840	1,828,397	1,675,406
Culture and recreation.....	2,386,859	2,801,155	3,394,657	3,308,166	4,307,074	3,725,614	3,741,088	4,339,903	4,525,874	3,638,879
University Station.....	-	-	1,947,259	1,651,889	2,932,353	507,970	474,479	304,915	239,892	212,018
Interest.....	1,542,158	1,216,381	1,137,383	1,060,200	1,259,517	1,614,895	1,329,268	1,283,331	1,117,897	1,594,774
Total government activities expenses.....	80,998,282	86,958,654	89,230,824	91,380,592	100,544,731	103,791,465	107,173,090	115,376,676	117,697,309	116,567,973
Business-type activities:										
Sewer.....	4,440,324	4,204,681	4,426,229	4,495,981	4,590,558	4,518,608	4,842,752	5,249,181	5,625,797	5,430,689
Total primary government expenses.....	\$ 85,438,606	\$ 91,163,335	\$ 93,657,053	\$ 95,876,573	\$ 105,135,289	\$ 108,310,073	\$ 112,015,842	\$ 120,625,857	\$ 123,323,106	\$ 121,998,662
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 2,455,709	\$ 2,444,072	\$ 2,463,005	\$ 2,453,507	\$ 2,568,453	\$ 2,793,990	\$ 2,559,813	\$ 2,692,200	\$ 2,372,469	\$ 1,417,544
Public Safety charges for services.....	1,177,994	1,414,033	1,370,625	1,641,691	1,953,758	2,059,156	2,004,219	1,780,120	2,096,754	2,206,283
Other charges for services.....	1,901,613	3,358,796	1,584,341	1,745,798	2,435,718	1,559,352	1,909,052	1,977,008	1,819,907	2,563,769
Operating grants and contributions.....	14,155,121	14,617,337	22,271,886	14,500,929	19,171,437	20,362,007	19,221,090	20,584,543	23,365,892	25,650,064
Capital grant and contributions.....	1,110,679	682,003	1,474,068	4,045,233	1,584,581	627,863	1,303,961	777,371	657,284	997,793
Total government activities program revenues.....	20,801,116	22,516,241	29,163,925	24,387,158	27,713,947	27,402,368	26,998,135	27,811,242	30,312,306	32,835,453
Business-type activities:										
Charges for services.....	3,677,221	3,525,289	3,731,776	5,175,034	4,978,724	4,672,765	5,224,029	5,110,982	4,975,780	5,224,007
Operating grants and contributions.....	31,638	85,164	32,115	30,832	25,910	20,883	10,451	5,108	-	-
Capital grant and contributions.....	222,624	45,115	41,516	27,300	458,315	26,485	14,897	86,918	31,978	10,783
Total business-type activities program revenues.....	3,931,483	3,655,568	3,805,407	5,233,166	5,462,949	4,720,133	5,249,377	5,203,008	5,007,758	5,234,790
Total primary government program revenues.....	\$ 24,732,599	\$ 26,171,809	\$ 32,969,332	\$ 29,620,324	\$ 33,176,896	\$ 32,122,501	\$ 32,247,512	\$ 33,014,250	\$ 35,320,064	\$ 38,070,243
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (60,488,144)	\$ (64,733,391)	\$ (60,357,877)	\$ (67,284,412)	\$ (73,121,762)	\$ (76,680,075)	\$ (80,465,933)	\$ (87,565,434)	\$ (87,385,003)	\$ (83,732,520)
Business-type activities.....	(5,563)	(258,135)	(329,844)	1,028,163	1,163,369	442,503	697,603	(46,173)	(618,039)	(195,899)
Total primary government net (expense)/program revenue.....	\$ (60,493,707)	\$ (64,991,526)	\$ (60,687,721)	\$ (66,256,249)	\$ (71,958,393)	\$ (76,237,572)	\$ (79,768,330)	\$ (87,611,607)	\$ (88,003,042)	\$ (83,928,419)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 55,088,302	\$ 57,531,776	\$ 59,098,869	\$ 61,772,952	\$ 67,327,061	\$ 70,239,637	\$ 73,504,082	\$ 76,292,441	\$ 80,276,498	\$ 82,534,629
Motor vehicle excise taxes.....	2,335,495	2,591,759	2,770,941	3,035,505	3,042,773	3,343,962	3,602,675	3,591,586	3,499,369	3,575,444
Hotel/motel taxes.....	-	-	-	-	-	-	129,991	330,547	298,323	114,368
Meals tax.....	-	-	-	-	-	-	370,332	449,058	396,905	336,809
Penalties and interest on taxes.....	264,092	180,465	118,681	172,557	187,078	147,442	244,435	207,880	89,232	125,581
Payment in lieu of taxes.....	-	-	-	-	-	-	300,000	-	-	-
Grants and contributions not restricted to specific programs.....	748,294	639,972	712,014	776,342	697,791	760,612	776,600	811,787	827,409	788,368
Unrestricted investment income.....	74,274	45,831	25,929	28,388	56,770	119,027	334,856	405,203	443,658	122,353
Gain on sale of assets.....	50,000	290,000	-	-	-	-	-	399,698	165,550	1,103,055
Total governmental activities.....	58,560,457	61,279,803	62,726,434	65,785,744	71,311,473	74,610,680	79,262,971	82,488,200	85,996,944	88,700,607
Total primary government general revenues and other changes in net position.....	\$ 58,560,457	\$ 61,279,803	\$ 62,726,434	\$ 65,785,744	\$ 71,311,473	\$ 74,610,680	\$ 79,262,971	\$ 82,488,200	\$ 85,996,944	\$ 88,700,607
Changes in Net Position										
Governmental activities.....	\$ (1,636,709)	\$ (3,453,588)	\$ 2,368,557	\$ (1,498,668)	\$ (1,810,289)	\$ (2,069,395)	\$ (911,984)	\$ (5,077,234)	\$ (1,388,059)	\$ 4,968,087
Business-type activities.....	(296,541)	(258,135)	(329,844)	1,028,163	1,163,369	442,503	406,625	(46,173)	(618,039)	(195,899)
Total primary government changes in net position.....	\$ (1,933,250)	\$ (3,711,723)	\$ 2,038,713	\$ (470,505)	\$ (646,920)	\$ (1,626,892)	\$ (505,359)	\$ (5,123,407)	\$ (2,006,098)	\$ 4,772,188

The Town implemented GASB 68 and recorded their Net Pension Liability for the first time in 2015.

Town of Westwood, Massachusetts
Fund Balances, Governmental Funds
Last Ten Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Committed.....	\$ 1,518,171	\$ 1,237,464	\$ 5,431,729	\$ 6,069,333	\$ 4,617,755	\$ 4,717,312	\$ 4,792,739	\$ 5,709,499	\$ 6,088,582	\$ 7,106,685
Assigned.....	1,172,866	1,085,504	1,385,604	1,253,232	4,048,666	4,783,857	3,085,031	3,462,820	3,653,126	3,320,359
Unassigned.....	<u>5,550,222</u>	<u>7,248,711</u>	<u>8,799,948</u>	<u>9,447,109</u>	<u>10,316,550</u>	<u>10,081,366</u>	<u>13,239,702</u>	<u>13,916,310</u>	<u>14,906,777</u>	<u>16,589,070</u>
Total general fund.....	\$ <u>8,241,259</u>	\$ <u>9,571,679</u>	\$ <u>15,617,281</u>	\$ <u>16,769,674</u>	\$ <u>18,982,971</u>	\$ <u>19,582,535</u>	\$ <u>21,117,472</u>	\$ <u>23,088,629</u>	\$ <u>24,648,485</u>	\$ <u>27,016,114</u>
All Other Governmental Funds										
Nonspendable.....	\$ 346,034	\$ 356,034	\$ 349,547	\$ 361,891	\$ 409,600	\$ 429,400	\$ 457,240	\$ 456,400	\$ 465,760	\$ 435,922
Restricted.....	11,829,474	9,886,170	9,006,419	7,679,740	14,510,286	16,242,380	8,676,458	7,571,792	7,223,765	7,690,728
Unassigned.....	-	-	-	-	-	-	-	-	(739,989)	(2,734,290)
Total all other governmental funds....	\$ <u>12,175,508</u>	\$ <u>10,242,204</u>	\$ <u>9,355,966</u>	\$ <u>8,041,631</u>	\$ <u>14,919,886</u>	\$ <u>16,671,780</u>	\$ <u>9,133,698</u>	\$ <u>8,028,192</u>	\$ <u>6,949,536</u>	\$ <u>5,392,360</u>

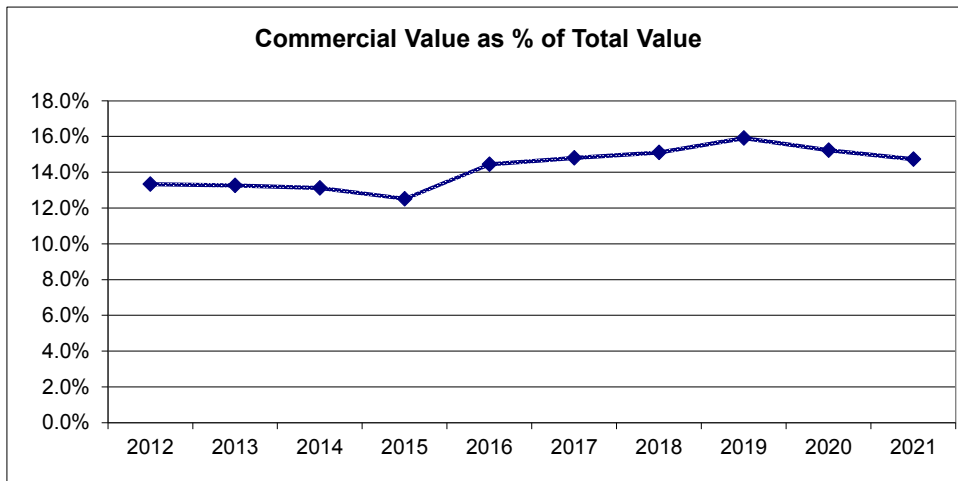
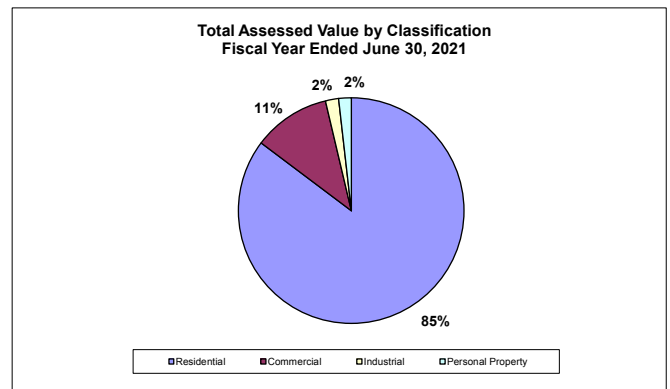
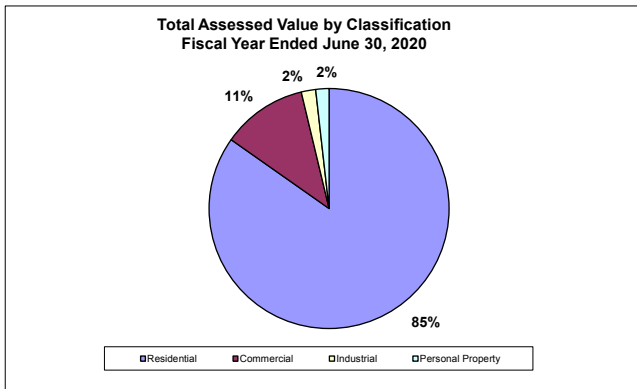
The Town implemented GASB 84 and revised beginning net position during 2021. Fiscal year 2020 balances were also revised to reflect the implementation of GASB 84.

Town of Westwood, Massachusetts
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 54,944,965	\$ 57,528,131	\$ 58,918,129	\$ 61,838,371	\$ 67,189,068	\$ 70,191,498	\$ 73,691,325	\$ 76,253,080	\$ 79,840,258	\$ 82,462,705
Motor vehicle excise taxes.....	2,274,492	2,396,286	2,844,489	3,057,593	3,077,485	3,300,479	3,624,505	3,675,896	3,368,740	3,648,226
Hotel/motel taxes.....	-	-	-	-	-	-	129,991	330,547	298,323	114,368
Meals tax.....	-	-	-	-	-	-	370,332	449,058	396,905	336,809
Charges for Service.....	4,798,942	4,572,213	4,774,815	4,951,197	4,896,303	5,008,558	5,706,541	6,062,185	5,106,771	3,700,761
University Station mitigation funds.....	-	-	4,400,000	-	486,453	-	-	-	-	-
University Station permits.....	-	-	925,000	905,000	440,650	-	-	-	-	-
Penalties and interest on taxes.....	264,092	180,465	118,681	172,557	187,078	147,442	244,435	207,880	89,232	125,581
Payment in lieu of taxes.....	-	-	-	-	-	-	300,000	-	-	-
Fees and rentals.....	521,268	308,533	341,562	379,437	541,579	761,054	-	-	-	-
Licenses and permits.....	456,436	658,179	643,568	771,232	1,053,310	1,007,288	1,026,968	871,559	1,045,662	1,103,258
Fines and forfeitures.....	12,937	10,940	18,587	32,464	26,246	25,354	25,344	23,122	18,051	2,664
Intergovernmental.....	17,766,084	15,300,737	16,395,623	18,010,694	18,941,829	21,183,833	20,563,904	21,278,583	24,627,572	28,147,923
Departmental and other.....	898,592	972,687	681,348	864,185	1,421,096	1,205,624	877,184	1,173,952	1,157,856	1,408,192
Departmental and other - University Station.....	-	1,601,661	1,437,838	532,664	1,461,119	-	-	-	-	-
Contributions.....	224,819	217,283	782,122	266,436	364,845	496,847	437,797	579,393	293,991	230,018
Investment income.....	78,741	53,292	34,965	104,459	104,459	127,060	173,297	405,203	443,658	122,353
Total Revenue.....	82,241,368	83,800,407	92,316,727	91,886,289	100,191,520	103,455,037	107,171,623	111,310,458	116,687,019	121,402,858
Expenditures:										
General government.....	3,344,297	2,946,533	3,164,539	3,089,254	4,253,587	3,994,717	4,037,486	4,562,056	3,331,376	5,286,916
Public safety.....	6,416,397	6,569,032	7,184,612	7,813,058	8,644,179	9,805,381	9,808,820	10,677,523	8,959,941	10,361,796
Education.....	38,925,806	41,347,249	41,863,435	43,665,556	46,408,907	48,670,252	50,412,988	52,317,861	52,640,431	50,745,458
Public works.....	3,807,414	4,577,562	4,816,935	5,534,486	4,570,811	5,269,963	5,961,918	5,466,495	9,743,545	7,945,379
University Station.....	59,244	1,310,832	1,947,259	1,651,889	3,598,262	507,970	474,479	304,915	239,892	212,018
Human services.....	811,561	840,202	812,061	934,962	1,077,496	1,126,850	1,319,569	1,253,553	1,202,900	1,160,455
Culture and recreation.....	1,930,615	1,982,066	2,220,899	2,222,748	3,141,592	2,622,118	2,528,690	2,806,483	2,737,567	2,420,556
Pension benefits.....	8,708,603	9,164,381	9,356,600	7,647,979	10,369,777	13,315,275	14,583,206	15,002,340	18,112,233	20,432,533
Property and liability insurance.....	291,839	325,755	290,897	401,257	351,987	387,101	399,502	364,146	448,086	462,938
Employee benefits.....	5,624,542	6,455,097	6,574,999	7,230,271	7,363,094	8,106,961	8,417,313	8,728,826	8,977,348	9,106,143
State and county charges.....	531,795	570,404	574,743	591,182	581,921	642,045	643,066	688,590	699,951	707,329
Capital outlay.....	10,196,200	8,462,813	5,813,248	7,600,649	10,582,910	15,353,111	8,512,568	2,533,638	3,526,718	9,788,329
Debt service:										
Principal.....	4,810,000	3,740,000	3,740,000	3,555,000	3,470,000	4,815,000	4,645,000	4,590,000	4,575,000	4,380,000
Principal - current refunding.....	-	-	-	-	-	-	-	-	-	349,359
Interest.....	1,696,931	1,327,341	1,236,197	1,146,459	1,276,338	1,641,193	1,721,141	1,547,979	1,359,279	1,568,479
Total Expenditures.....	87,155,244	89,619,267	89,596,424	93,084,750	105,690,861	116,257,937	113,465,746	110,844,405	116,554,267	124,927,688
Excess of revenues over (under) expenditures.....	(4,913,876)	(5,818,860)	2,720,303	(1,198,461)	(5,499,341)	(12,802,900)	(6,294,123)	466,053	132,752	(3,524,830)
Other Financing Sources (Uses)										
Issuance of debt.....	-	4,635,000	1,400,000	850,000	13,490,000	12,755,000	-	-	-	2,726,696
Issuance of debt refunding.....	19,095,000	-	-	-	-	-	-	-	-	4,988,304
Premium from issuance of refunding bonds.....	2,274,135	-	-	-	-	-	-	-	-	949,958
Payments to refunded bond escrow agents.....	(21,375,114)	-	-	-	-	-	-	-	-	(5,938,262)
Premium from issuance of bonds and notes.....	110,997	-	-	-	809,915	948,380	-	-	30,145	505,532
Sale of assets.....	50,000	290,000	-	-	-	-	-	399,698	165,550	1,103,055
Capital lease financing.....	-	-	748,083	-	-	1,160,000	-	-	-	-
Transfers in.....	814,165	1,254,221	1,087,606	1,469,929	848,253	1,068,021	2,748,347	1,610,137	657,176	1,096,225
Transfers out.....	(523,187)	(963,243)	(796,628)	(1,178,951)	(557,275)	(777,043)	(2,457,369)	(1,610,137)	(657,176)	(1,096,225)
Total other financing sources (uses).....	445,996	5,215,978	2,439,061	1,140,978	14,590,893	15,154,358	290,978	399,698	195,695	4,335,283
Net change in fund balance.....	\$ (4,467,880)	\$ (602,882)	\$ 5,159,364	\$ (57,483)	\$ 9,091,552	\$ 2,351,458	\$ (6,003,145)	\$ 865,751	\$ 328,447	\$ 810,453
Debt service as a percentage of noncapital expenditures.....	8.46%	6.24%	5.94%	5.50%	4.99%	6.40%	6.07%	5.67%	5.25%	5.17%

Town of Westwood, Massachusetts
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates
Last Ten Years

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate	Total Town Value
2012	\$ 3,019,444,695	14.48	\$ 298,952,742	\$ 116,563,050	\$ 49,223,000	\$ 464,738,792	26.55	13.3%	16.09	\$ 3,484,183,487
2013	3,025,447,435	14.89	305,246,315	110,035,850	47,438,500	462,720,665	27.28	13.3%	16.53	3,488,168,100
2014	3,024,619,084	15.40	301,008,803	108,446,500	47,416,300	456,871,603	28.18	13.1%	17.08	3,481,490,687
2015	3,201,759,309	15.24	305,143,078	104,513,800	48,705,000	458,361,878	28.79	12.5%	16.94	3,660,121,187
2016	3,479,561,719	14.66	429,192,713	100,498,400	58,369,200	588,060,313	28.27	14.5%	16.63	4,067,622,032
2017	3,620,229,895	14.57	467,768,522	90,401,550	71,406,300	629,576,372	28.20	14.8%	16.59	4,249,806,267
2018	3,644,725,298	15.09	479,097,796	91,967,650	77,631,000	648,696,446	29.30	15.1%	17.24	4,293,421,744
2019	3,848,500,382	14.65	549,160,539	93,693,650	85,728,200	728,582,389	28.24	15.9%	16.81	4,577,082,771
2020	4,095,829,530	14.51	557,002,679	93,617,500	86,218,300	736,838,479	28.22	15.2%	16.60	4,832,668,009
2021	4,232,675,732	14.78	548,845,709	92,783,450	89,740,290	731,369,449	28.59	14.7%	16.81	4,964,045,181



Source: Assessor's Department, Town of Westwood
 All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: 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 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Town of Westwood, Massachusetts

Principal Taxpayers

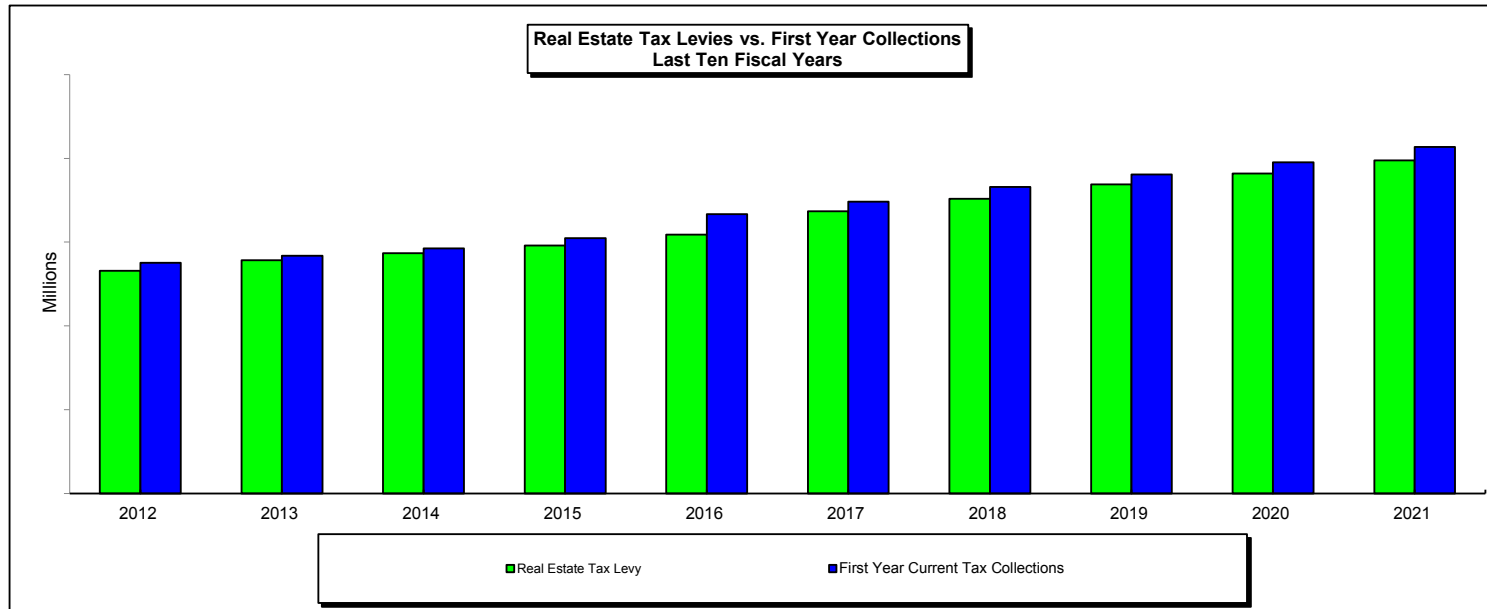
Current Year and Nine Years Ago

Name	Nature of Business	2021			2012		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
SVF University Westwood LLC	Retailer	\$ 135,520,000	1	4.6%	\$ -	-	-
Westwood Gables II LLC	Residential Community	87,275,450	2	1.5%	-	-	-
Fox Hill Village Homeowners	Residential Community	81,581,750	3	1.4%	80,095,000	1	2.6%
Eversource Utility Company	Office	55,985,400	4	1.9%	-	-	-
Medical Information Tech Inc	Office Building/Medical Info	49,525,600	5	1.7%	50,161,000	3	2.8%
101 Station Drive Property LLC	Office	39,404,350	6	1.3%	-	-	-
AGNL Exercise LLC	Fitness Center	33,800,000	7	1.2%	-	-	-
AMR Real Estate Holdings	Auto Dealership	31,722,000	8	1.1%	-	-	-
Target Corporation	Retailer	23,984,500	9	0.8%	-	-	-
University Station Phase 2 LLC	Office	23,232,300	10	0.8%	-	-	-
Boston Edison Company	Office Building	-	-	-	50,360,000	2	2.8%
Perry and Walker	Office Building/Financial Services	-	-	-	40,993,000	4	2.3%
ATC Westwood	Office Building	-	-	-	31,300,000	5	1.2%
GR-Highland/Westwood Glen LP	Residential Community	-	-	-	25,250,000	6	0.8%
Piravano, John A. Trustee	Warehouse Storage	-	-	-	12,350,000	7	0.7%
Uniave One Ltd. Partnership	Office Building/Research & Development	-	-	-	10,142,000	8	0.6%
Glacier Limited Partnership	Office Building	-	-	-	9,737,000	9	0.5%
Wells Avenue Senior Holdings LLC	Office Building/Research & Development	-	-	-	9,448,000	10	0.5%
Totals		<u>\$ 562,031,350</u>		<u>16.3%</u>	<u>\$ 319,836,000</u>		<u>14.8%</u>

Source: Town of Westwood, Assessor Department

Town of Westwood, Massachusetts
Property Tax Levies and Collections
Last Ten Years

Year	(1) Total Tax Levy	Less Abatements & Exemptions	(1) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2012	\$ 56,060,374	\$ 366,520	\$ 55,693,854	\$ 55,028,113	98.80%	\$ 137,394	\$ 55,165,507	99.05%
2013	57,671,932	308,035	57,363,897	56,720,328	98.88%	380,245	57,100,573	99.54%
2014	59,453,776	232,373	59,221,403	58,534,283	98.84%	419,104	58,953,387	99.55%
2015	61,991,050	182,597	61,808,453	60,957,134	98.62%	600,706	61,557,840	99.59%
2016	67,634,840	289,357	67,345,483	66,662,570	98.99%	246,165	66,908,735	99.35%
2017	70,500,803	169,187	70,331,616	69,668,323	99.06%	388,530	70,056,853	99.61%
2018	74,005,711	216,395	73,789,316	73,142,431	99.12%	372,515	73,514,946	99.63%
2019	76,955,697	586,416	76,369,281	76,132,831	99.69%	270,505	76,403,336	100.04%
2020	80,224,068	689,710	79,534,358	79,087,447	99.44%	286,237	79,373,684	99.80%
2021	83,468,800	452,452	83,016,348	82,697,685	99.62%	-	82,697,685	99.62%



(1) Includes tax liens.

Source: Town of Westwood Collectors Department and Town Records

Town of Westwood, Massachusetts

Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities		Business-type Activities (1)		Total Debt Outstanding	Percentage of Personal Income	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (2)	Capital Leases	General Obligation Bonds (2)	Capital Leases				
2012	\$ 36,042,083	\$ -	\$ 1,443,200	\$ -	37,485,283	3.65%	14,618	\$ 2,564
2013	37,219,166	-	1,310,440	-	38,529,606	3.64%	14,618	2,636
2014	34,801,249	579,212	2,661,680	-	38,042,141	2.71%	14,618	2,602
2015	32,018,332	434,827	2,277,620	-	34,730,779	2.61%	14,876	2,335
2016	42,723,787	292,872	2,122,060	-	45,138,719	3.00%	14,809	3,048
2017	51,444,539	1,207,950	1,680,000	-	54,332,489	3.55%	15,094	3,600
2018	46,570,696	858,070	1,274,700	-	48,703,466	2.76%	15,364	3,170
2019	41,761,656	651,226	868,600	-	43,281,482	2.42%	15,597	2,775
2020	36,977,418	439,348	666,800	-	38,083,566	1.87%	15,765	2,416
2021	35,343,472	222,315	465,000	-	36,030,787	1.72%	16,266	2,215

(1) Sewer Fund

(2) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

Source: Audited Financial Statements, U. S. Census

Town of Westwood, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2012	\$ 37,485,283	\$ -	\$ 37,485,283	1.08%	2,564
2013	38,529,606	-	38,529,606	1.10%	2,636
2014	37,462,929	-	37,462,929	1.08%	2,563
2015	34,295,952	-	34,295,952	0.94%	2,305
2016	44,845,847	-	44,845,847	1.10%	3,028
2017	53,124,539	-	53,124,539	1.25%	3,520
2018	47,845,396	-	47,845,396	1.11%	3,114
2019	42,630,256	-	42,630,256	0.93%	2,733
2020	37,644,218	-	37,644,218	0.78%	2,388
2021	35,808,472	-	35,808,472	0.72%	2,201

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

Source: Audited Financial Statements, U. S. Census

Town of Westwood, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2021

<u>Town of Westwood, Massachusetts</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Norfolk County.....	\$ 15,505,000	3.100%	\$ 480,655
Direct debt:			
Capital Lease Obligations.....			222,315
General Governmental Debt.....			<u>35,343,472</u>
Town total direct debt.....			<u>35,565,787</u>
Total direct and overlapping debt.....			<u>\$ 36,046,442</u>

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

Source: Town of Westwood, Finance Department and related organizations.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of Town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Westwood, Massachusetts

Computation of Legal Debt Margin

Last Ten Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Equalized Valuation.....	\$ 3,702,302,900	\$ 3,702,302,900	\$ 3,698,071,400	\$ 3,698,071,400	\$ 4,342,334,700	\$ 4,342,334,700	\$ 4,713,941,600	\$ 4,713,941,600	\$ 5,214,138,300	\$ 5,214,138,300
Debt Limit -5% of Equalized Valuation.....	\$ 185,115,145	\$ 185,115,145	\$ 184,903,570	\$ 184,903,570	\$ 217,116,735	\$ 217,116,735	\$ 235,697,080	\$ 235,697,080	\$ 260,706,915	\$ 260,706,915
Less:										
Outstanding debt applicable to limit.....	36,988,200	37,750,440	36,761,680	33,672,620	43,537,060	51,035,000	45,984,700	40,988,600	36,211,800	33,120,000
Authorized and unissued debt.....	6,245,000	2,970,000	-	9,600,000	13,205,000	450,000	5,700,000	6,600,000	11,575,000	9,010,000
Legal debt margin.....	<u>\$ 141,881,945</u>	<u>\$ 144,394,705</u>	<u>\$ 148,141,890</u>	<u>\$ 141,630,950</u>	<u>\$ 160,374,675</u>	<u>\$ 165,631,735</u>	<u>\$ 184,012,380</u>	<u>\$ 188,108,480</u>	<u>\$ 212,920,115</u>	<u>\$ 218,576,915</u>
Total debt applicable to the limit as a percentage of debt limit.....	23.35%	22.00%	19.88%	23.40%	26.13%	23.71%	21.93%	20.19%	18.33%	16.16%

Source: Town of Westwood, Finance Department

Town of Westwood, Massachusetts
Demographic and Economic Statistics
Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2012	14,618	\$ 1,027,546,378	\$ 70,293	41.0	3,019	4.3%
2013	14,618	1,059,322,606	72,467	41.0	3,206	4.1%
2014	14,618	1,403,985,810	96,045	41.0	3,213	3.9%
2015	14,876	1,330,018,532	89,407	41.0	3,521	3.7%
2016	14,809	1,503,409,680	101,520	41.0	3,163	2.9%
2017	15,094	1,532,342,880	101,520	41.0	3,117	2.6%
2018	15,364	1,764,463,216	114,844	41.0	3,122	2.6%
2019	15,597	1,791,221,868	114,844	41.0	3,116	1.9%
2020	15,765	2,033,432,760	128,984	41.0	3,027	2.1%
2021	16,266	2,099,550,216	129,076	41.0	2,952	4.5%

Source: U. S. Census, Division of Local Services
 Median age is based on most recent census data
 MA Department of Elementary and Secondary Education
 School and Town Clerk Departments, Town of Westwood
 MA Office of Workforce Development

Town of Westwood, Massachusetts

Principal Employers (excluding Town)

Current Year and Nine Years Ago

Employer	Nature of Business	2021			2012		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Wegmans	Supermarket	550	1	4.2%	-	-	-
Citizens Bank	Financial Services	550	2	4.2%	-	-	-
Eversource Energy	Utility - Gas & Electric	350	3	2.7%	-	-	-
Roche Brothers	Supermarkets	350	4	2.7%	280	5	4%
Meditech, Inc	Healthcare Technology	250	5	1.9%	435	3	7%
Prime Motor Group	Automobile Sales	250	6	1.9%	-	-	-
47 Brand	Apparel	200	7	1.5%	-	-	-
Life Time Fitness	Health & Fitness	200	8	1.5%	-	-	-
Target	Department Store	200	9	1.5%	-	-	-
KLA - Tenor Corp	Measurement Technology	175	10	1.3%	-	-	-
Nstar	Power Company	-	-	-	1,115	1	17%
State Street Bank	Financial Services	-	-	-	700	2	11%
New York Life Insurance	Life Insurance	-	-	-	325	4	5%
Turnbine, Inc	Video Games	-	-	-	250	6	4%
ADE Corporation	Measurement Technology	-	-	-	200	7	3%
MIB	Medical Information	-	-	-	176	8	3%
Northrop Grumman	Military Electronics	-	-	-	150	9	2%
Clair Motors	Car Dealer	-	-	-	111	10	2%
Total		<u>3,075</u>		<u>23.4%</u>	<u>3,742</u>		<u>58.0%</u>

Source: Massachusetts Workplace Development

Town of Westwood, Massachusetts
Full-time Equivalent Town Employees by Function
Last Ten Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function										
General government.....	22	22	21	22	23	26	26	26	32	32
Public Safety.....	72	72	76	79	83	83	89	89	87	92
Education.....	479	496	501	515	536	559	584	570	521	538
Public works.....	29	30	29	29	29	30	31	31	33	33
Human services.....	9	9	9	10	9	9	9	10	7	7
Culture and recreation.....	13	13	13	13	13	13	13	13	13	14
Total	<u>624</u>	<u>642</u>	<u>649</u>	<u>668</u>	<u>693</u>	<u>720</u>	<u>752</u>	<u>739</u>	<u>693</u>	<u>716</u>

Source: Town Records

Town of Westwood, Massachusetts
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Population.....	14,618	14,618	14,618	14,618	14,618	15,094	15,364	15,597	15,765	16,266
Registered Voters, Annual Town Election.....	9,926	10,553	10,639	10,511	10,777	10,687	10,708	11,084	11,043	11,492
Town Clerk										
Births.....	111	105	110	114	117	128	119	113	129	123
Marriages.....	73	56	66	73	63	56	47	64	55	111
Deaths.....	142	162	167	151	167	153	159	161	141	189
Dogs licensed.....	1,382	1,387	1,439	1,477	1,455	1,403	1,482	1,509	1,627	1,432
Police										
Documented calls for police services.....	12,800	14,089	15,819	17,669	28,404	30,947	26,837	24,449	31,439	33,488
Arrests.....	86	127	139	134	553	472	348	486	336	259
Traffic citations issued.....	1,130	1,666	1,729	1,694	3,259	2,897	1,828	3,138	3,096	2,325
Parking tickets issued.....	54	42	172	99	207	289	269	298	172	107
Burglary alarms.....	912	769	949	817	975	966	932	889	758	549
Total number of animal complaints.....	415	478	546	615	591	568	595	466	547	394
Fire										
Inspections.....	779	839	839	779	1,021	1,063	809	961	963	592
Plan reviews.....	77	106	106	142	156	151	117	138	219	100
Permits/certificates issued.....	524	566	566	609	654	741	638	253	302	114
Emergency responses.....	3,064	2,837	2,862	2,820	3,065	3,325	3,098	3,473	3,197	3,129
Building Department										
Permits issued.....	1,823	1,935	2,185	2,275	2,883	2,605	2,280	2,409	2,115	2,536
Education										
Public school enrollment.....	3,213	3,209	3,213	3,253	3,209	3,117	3,122	2,885	3,016	2,957
Public Works										
Cemetery										
Lots sold.....	43	70	31	35	35	48	55	50	40	38
Interments.....	72	51	74	71	71	73	66	62	68	77
Recycling/tons.....	1,297	1,439	1,764	1,841	1,841	1,887	1,789	1,741	1,738	1,642
Hazardous Waste Day Participants.....	250	187	140	195	266	114	110	166	121	135
Human Services										
Board of Health										
Permits issued.....	326	376	240	351	307	275	269	402	340	354
Inspections.....	288	284	210	298	183	228	198	255	106	164
Council on Aging										
Home delivered meals served.....	19,404	19,528	16,505	13,014	7,014	6,895	7,692	7,840	10,109	10,952
Medical-van trips.....	7,025	7,132	7,098	4,424	4,424	3,319	3,654	3,697	3,186	363
Libraries										
Volumes in collection.....	115,131	128,680	143,913	156,574	160,967	187,933	200,651	203,410	206,841	234,626
Circulation.....	277,941	192,958	267,582	262,598	228,204	274,486	277,870	272,625	216,190	176,616
Program attendance.....	8,791	5,776	9,783	9,762	10,671	14,900	15,670	17,184	11,166	7,695
Youth & Family Services										
Misc resident clinical consultation hours.....	987	1,003	1,052	1,052	1,239	1,219	1,485	1,358	959	962
Recreation										
Participants.....	7,264	8,248	9,564	8,526	6,149	4,498	4,547	5,087	5,673	6,360
Special Events Participants.....	4,850	5,750	13,700	14,000	12,225	13,900	14,000	14,500	14,000	300
Pool Admittance.....	-	-	-	15,426	16,577	15,157	12,747	12,874	10,032	9,508

NA: Information not available
Note: 2021 information not available
Source: Various Town Departments

Town of Westwood, Massachusetts
Capital Asset Statistics by Function/Program
Last Ten Years

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
Number of Buildings.....	3	3	3	3	3	3	3	3	3	2
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Education										
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
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
Human Services										
Senior Center Facility.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Libraries.....	2	2	2	2	2	2	2	2	2	2
Conservation land (acreage).....	700	700	700	700	700	700	700	700	700	700

Source: Various Town Departments

How Does Westwood Compare with Other Communities?

In determining the list of communities with which to compare Westwood, three factors were considered: location, population, and per capita equalized valuation (EQV).

Location - Communities within a 30 mile radius of Westwood were considered.

Population - Towns with a population significantly smaller than Westwood probably do not have similar service demands; one larger in population will have increased service delivery demands.

Per Capita Equalized Valuation (EQV) - This factor measures the relative "wealth" of a community by dividing property valuations by population. Per capita valuation is directly related to the amount of revenue that a community can raise via the property tax. It offers some comparison of a community's "ability to pay."

Source: MA Department of Revenue

Municipality	Miles from Westwood	2020 U.S. Population	2018 EQV Per Capita	2018 Income Per Capita
Canton	8	24,370	224,008	\$61,997
Concord	24	18,491	331,440	\$154,426
Holliston	14	14,996	183,796	\$60,935
Medfield	6	12,799	220,277	\$99,242
Sharon	9	18,575	201,748	\$67,811
Sudbury	21	18,934	254,107	\$120,476
Wayland	17	13,943	281,167	\$150,253
Weston	15	11,854	538,737	\$354,387
Westwood		16,266	293,612	\$117,977

2021				
Municipality	Residential Tax Rate	Commercial Tax Rate	Tax Levy	Taxes As % of Total Revenue
Canton	12.20	24.29	84,941,942	70.17
Concord	14.72	14.72	98,128,300	80.15
Holliston	17.85	17.85	51,063,020	63.13
Medfield	17.76	17.76	50,756,430	72.48
Sharon	20.43	20.43	75,279,363	77.47
Sudbury	18.83	25.55	92,444,615	82.36
Wayland	18.52	18.52	74,069,812	78.16
Weston	12.98	12.98	82,920,377	76.51
Westwood	14.78	28.59	83,468,800	78.92

Municipality	Fiscal Year 2021			Fiscal Year 2021	Fiscal Year 2021	
	Average Single Family Tax Bill	State Hi-Lo Rank	Free Cash	Stabilization Fund	Moody's Bond Rating	S&P
Canton	\$7,227	76	\$6,559,814	\$9,393,074		**AAA
Concord	*\$14,494	*7	\$6,398,206	\$409,473	Aaa	
Holliston	\$8,915	43	\$2,654,475	\$6,737,487		AA+
Medfield	\$12,297	18	\$3,357,125	\$1,926,507	Aa1	
Sharon	\$11,841	19	\$5,871,797	\$938,693	Aa3	AA
Sudbury	**	**	\$4,249,754	\$5,045,904		AAA
Wayland	\$14,818	10	\$8,275,169	\$3,857,721	Aaa	
Weston	\$21,648	1	\$4,694,733	\$0	Aaa	AAA
Westwood	\$12,375	17	\$6,124,816	\$3,601,320	Aa1	AAA

*FY18, **Not available

Some Facts About Westwood

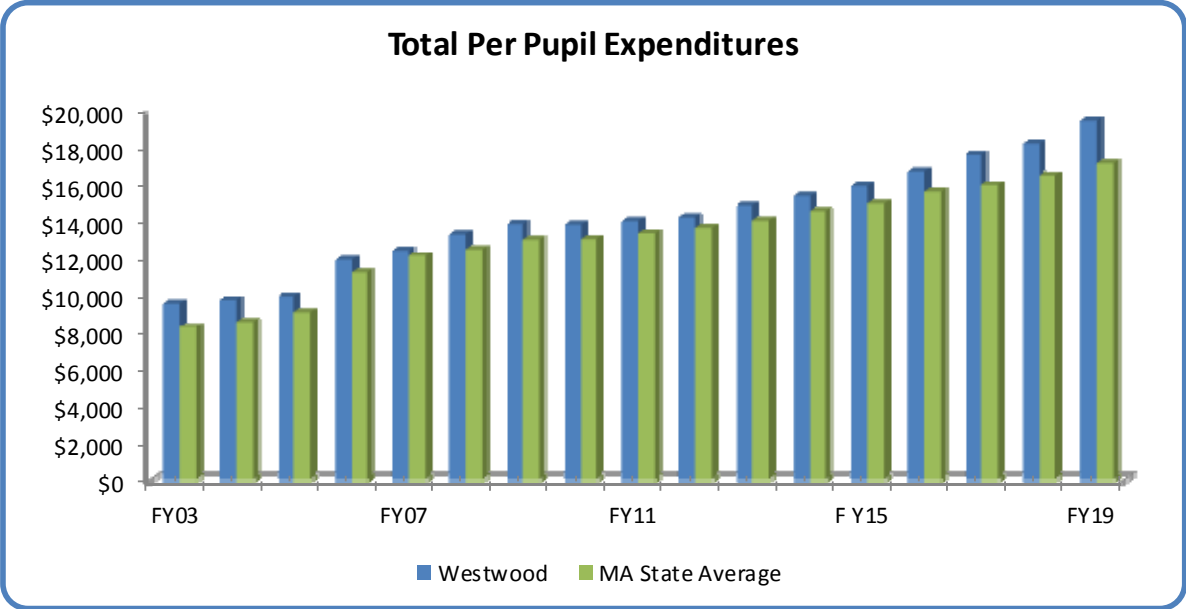
Form of Government	Select Board, Town Administrator, Open Town Meeting			
Population Trends	2000		2021	
	14,117		16,266	
Registered Voters (2021)	Total	Democrats	Republicans	Unenrolled/Other
	11,465	2,943	1,409	7,113

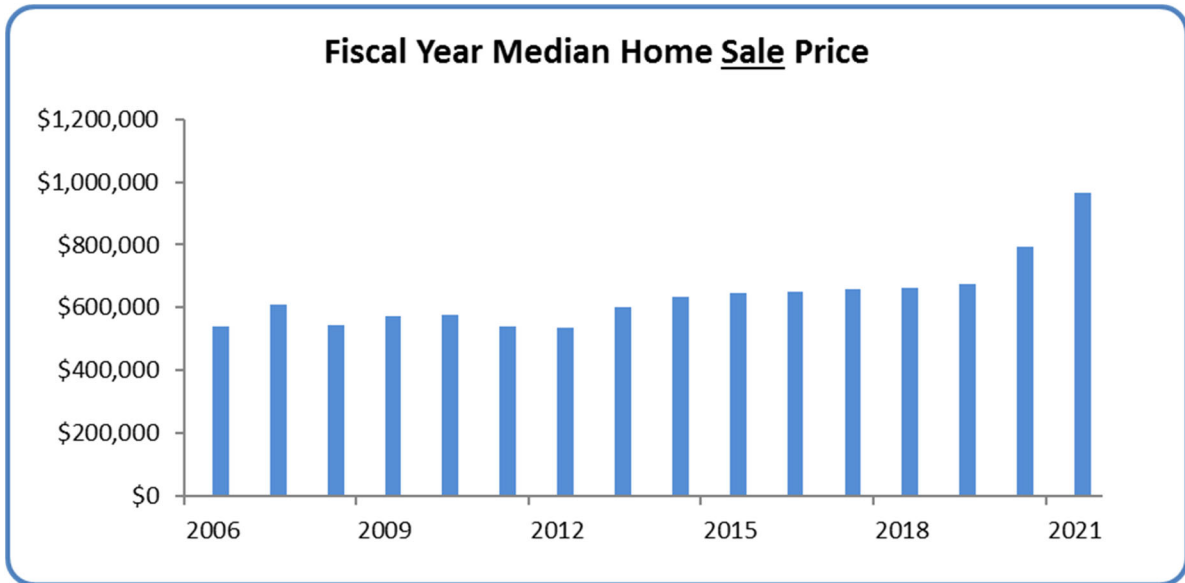
Westwood Schools



2019 National Blue Ribbon Schools Program

Westwood's Downey Elementary School was named a 2019 National Blue Ribbon School by U.S. Secretary of Education Betsy DeVos, joining other schools from around the nation. This designation honors public and private elementary, middle and high schools where students achieve very high learning standards and create vibrant, innovative cultures of teaching and learning.





Visit Westwood’s Web Site!
<http://www.townhall.westwood.ma.us>



Important Links...

- About Westwood
- Address & Phone Directory
- Community Resources Links
- Employment Opportunities
- Forms, Documents, Minutes
- How Do I?
- New Residents
- News and Announcements
- Photo Gallery
- Traffic Updates
- Upcoming Events

Sources: MA Department of Revenue
 MA Department of Education
 U. S. Census
 Town Clerk – Town of Westwood
 Board of Assessors – Town of Westwood