

# The Town of Westwood, Massachusetts

## Annual Comprehensive Financial Report

For the Year Ended June 30, 2023



*Buckmaster Pond*

# **The Town of Westwood, Massachusetts**



## **Annual Comprehensive Financial Report**

**For the Year  
July 1, 2022 through June 30, 2023**

**Select Board**

**Marianne C. LeBlanc Cummings, Chair  
Robert R. Gotti  
Michael Walsh**

**Prepared by:  
Stephanie McManus,  
Assistant Town Administrator/Finance Director**

**Town of Westwood, Massachusetts  
Annual Comprehensive Financial Report**

**For the Year Ended June 30, 2023**

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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 Michael F. Walsh,  
Select Board Member Marianne C. LeBlanc Cummings, and  
Select Board Chair Robert R. Gotti



**Town of Westwood**  
Commonwealth of Massachusetts

***Office of the Assistant Town Administrator/Finance Director***

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November 29, 2023

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, 2023 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, 2023, 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, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 16,231, 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 \$171,071 continues to rise and outpace the state average. Westwood also has an extremely low comparable unemployment rate of 2.4% compared with the State rate of 3.6%.

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 2023. 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 extremely desirable.

The Islington Center area was recently redesigned for mixed use residential and retail development and construction has been completed. A new commercial development has been completed with housing, retail and restaurants, and a municipal facility with a small library branch and welcoming community space has been completed and opened to the public. The development was designed to maintain the village atmosphere, and has become a beautiful, vibrant area in Town. Over time, the Town will benefit significantly from the Islington Center Redevelopment Project. As deteriorating structures have been replaced by well-designed and architecturally



complimentary new buildings, Westwood will enjoy a significant increase in annual property tax revenues and transportation infrastructure improvements.

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 2023 budgets and service level were maintained through a modest 3.9% 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 make significant progress on OPEB, with an FY23 annual OPEB appropriation of \$1,515,000 built 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 2022, in conjunction with the sale of a \$7.1 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 2023, 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 2023 budget appropriated \$125,000 to the stabilization fund and \$1,515,000 to the OPEB fund. The Town plans to continue to fund the reserves ongoing in future years.

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. High School debt, a 20-year bond, ended in FY23.

In 2022, the Town approved borrowing for a new elementary school to consolidate two existing outdated elementary schools into one property which will function as a community wide facility. The project cost is approximately \$88M. The Town will receive a direct grant reimbursement of approximately \$18M from the State MSBA program for this project. The long-term bond for \$56.5M was issued in July, 2022, the largest in Town history. This new building will be important in maintaining the high quality of the School system. It is expected to open in February, 2024.

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 2024 will include overseeing the construction of the new consolidated elementary school. This will be a major enhancement for school facilities, performance, community space, and additional fields for the entire community.

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 is now underway with preliminary plans to replace the Fire Department main station, Station One. A feasibility study is currently underway with planning expected to provide options for the Town's consideration for new facilities in the next few years.

### ***Coronavirus (COVID-19)***

As the Town emerges from the COVID-19 pandemic, municipalities across the nation received federal funds via the American Rescue Plan Act. The American Rescue Plan Act or ARPA is a federal stimulus bill to assist with public health and economic recovery from the COVID-19 pandemic. In 2023 the Town used a portion of its designated funding (\$4.8M) for various Town and School needs and community capital items.

The financial operating impact as a result of COVID-19 was limited. Revenue remained stable, including real estate taxes and State Aid. Meals and hotel taxes go directly into special purpose stabilization accounts, only to be used by Town Meeting for capital items. Therefore, while meals/hotel revenue declined during COVID-19, there was no impact to the general fund. 2023 revenue and expenditure budgets were closed out smoothly, with no major COVID-19 implications.

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.

### ***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, 2022. This was the 26<sup>th</sup> 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.

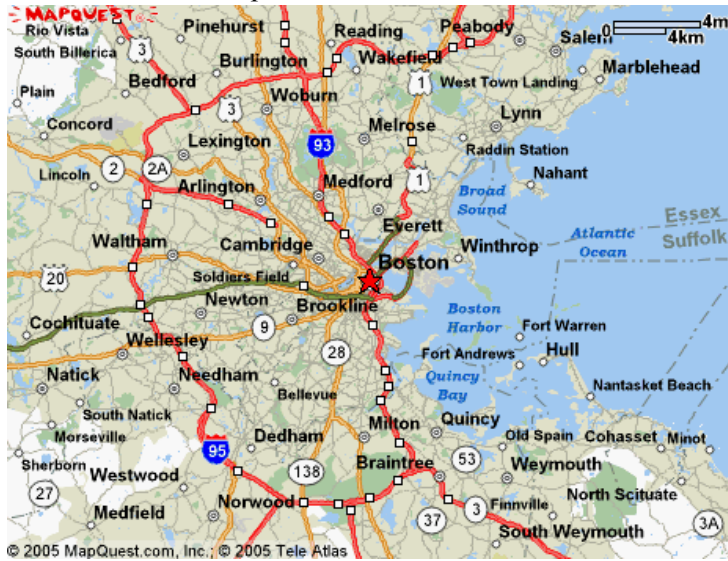
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Stephanie McManus". The signature is fluid and cursive, with a large initial 'S'.

Stephanie McManus  
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 16,231. 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, and in 2020 commented "this suburb boasts excellent schools, a bustling downtown, and perhaps best of all: transit options. Commuters here can choose from driving into work or hopping the commuter rail at the Route 128 train stop that takes people into the city in as little as 20 minutes."





## 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, 2023

***Select Board***

Marianne LeBlanc Cummings, Chair  
Robert R. Gotti  
Michael Walsh

Town Administrator – Christopher Coleman  
Assistant Town Administrator/Finance Director – Stephanie McManus  
Assistant Town Administrator/HR Director – Molly Kean  
School Superintendent – Tim Piwowar  
Town Treasurer – Philip Shapiro  
Police Chief – Jeffrey Silva  
Fire Chief – John Deckers

**Town of Westwood, Massachusetts**

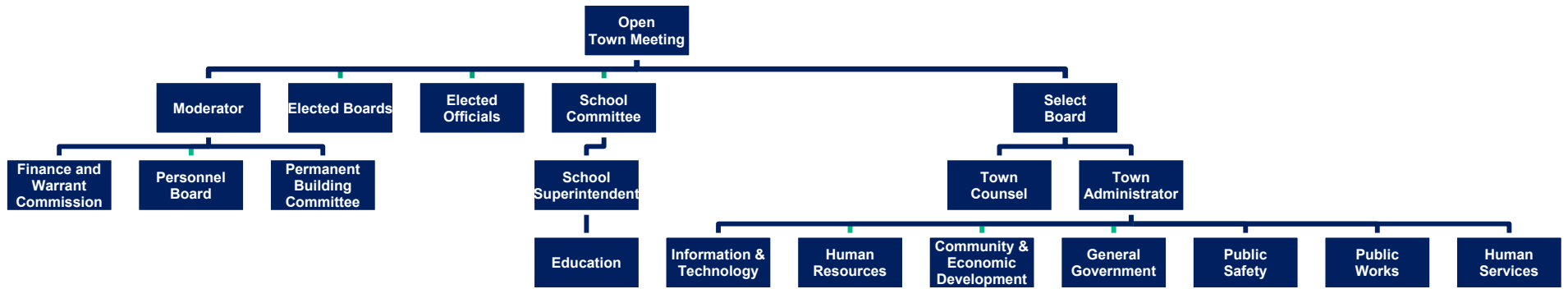
**Total Budget Salaries of Principal Officials**

**June 30, 2023**

<b>Position</b>	<b>Salary</b>
School Superintendent	\$226,281
School Assistant Superintendent	\$166,416
School Director of Business and Finance	\$156,077
Town Administrator	\$220,036
Police Chief	\$205,503
Assistant Town Administrator/Finance Director	\$192,032
Fire Chief	\$188,390
Department of Public Works Director	\$169,708
Town Counsel	\$139,113
Information Technology Director	\$133,883
Assistant Town Administrator/Human Resources Director	\$133,343
Community and Economic Development Director	\$130,277
Town Accountant	\$119,653
Library Director	\$97,889
Town Clerk (Elected)	\$110,988
Tax Collector (Elected)	\$4,000
Treasurer (Elected)	\$4,000
Select Board (Elected)	\$2,000
Board of Assessors (Elected)	\$1,800

# The Town of Westwood

XI



**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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*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 Fund Financial Statements and Schedules*

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Buckmaster Pond



## **Independent Auditor's Report**

To the Honorable Select Board  
Town of Westwood, Massachusetts

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the 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, 2023, 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.

#### **Basis for Opinions**

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

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

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## **Required Supplementary Information**

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

express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westwood, Massachusetts' basic financial statements. The accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2023, 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 solely 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 effectiveness of the Town of Westwood, Massachusetts' 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*

November 29, 2023

# *Management's Discussion and Analysis*

## 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, 2023. 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 \$93.1 million (net position).
- As required by accounting standards, as of June 30, 2023, the Town has reported a net pension liability of \$41.4 million along with deferred outflows of resources related to pensions of \$9.3 million and deferred inflows of resources related to pensions of \$202,000 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, 2023, the Town has reported other postemployment benefit (OPEB) liability of \$21.8 million along with deferred outflows of resources related to OPEB of \$1.5 million and deferred inflows of resources related to OPEB of \$14.6 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 \$29.5 million, a decrease of \$10,000 in comparison with the prior year. Total fund balance represents 25.6% of total general fund expenditures. Approximately \$15.7 million of this total amount is available for appropriation at the government's discretion, \$6.0 million is committed for capital articles approved by Town Meeting, \$4.8 million is assigned for encumbrances carried forward to the subsequent year and \$2.9 million represents available funds appropriated to fund the fiscal year 2024 budget.

### 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 \$93.1 million at the close of 2023.

Net position of \$108 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, \$3.6 million, represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of unrestricted net position \$18.5 million is primarily due to the recognition of the \$41.4 million net pension liability and \$21.8 million in the other postemployment benefits liability.

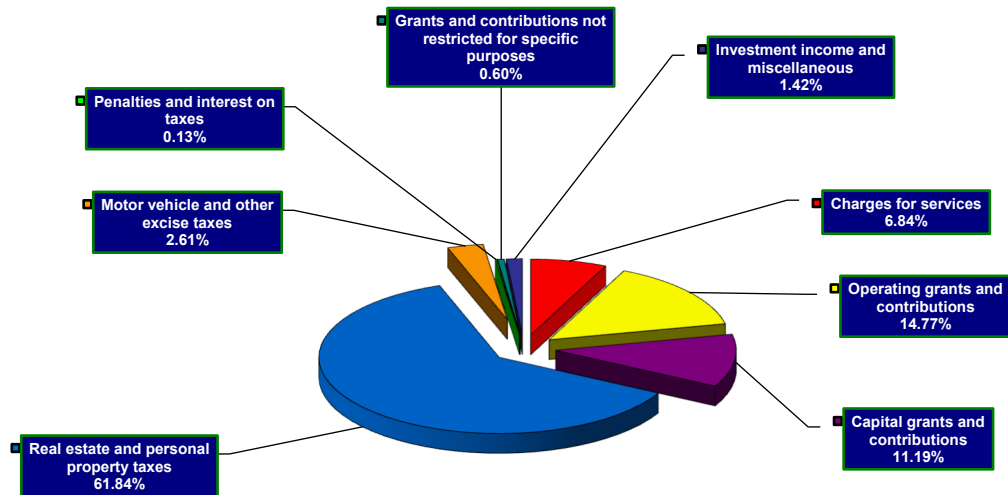
**Governmental activities.** The governmental activities net position increased by approximately \$22.3 million during the current year. The main reason for this increase was approximately \$15 million in MSBA school construction capital grants.

	2023	2022
<b>Assets:</b>		
Current assets.....	\$ 90,631,497	\$ 55,685,201
Capital assets, non depreciable.....	62,372,302	16,072,540
Capital assets, net of accumulated depreciation....	109,416,857	108,511,009
<b>Total assets.....</b>	<b>262,420,656</b>	<b>180,268,750</b>
<b>Deferred outflows of resources.....</b>	<b>10,469,055</b>	<b>3,003,583</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	24,033,460	11,301,983
Noncurrent liabilities (excluding debt).....	62,399,791	47,003,632
Current debt.....	4,562,237	1,054,469
Noncurrent debt.....	89,218,329	40,555,566
<b>Total liabilities.....</b>	<b>180,213,817</b>	<b>99,915,650</b>
<b>Deferred inflows of resources.....</b>	<b>14,502,027</b>	<b>27,527,824</b>
<b>Net position:</b>		
Net investment in capital assets.....	97,907,275	87,427,026
Restricted.....	3,560,680	2,165,037
Unrestricted.....	(23,294,088)	(33,763,204)
<b>Total net position.....</b>	<b>\$ 78,173,867</b>	<b>\$ 55,828,859</b>

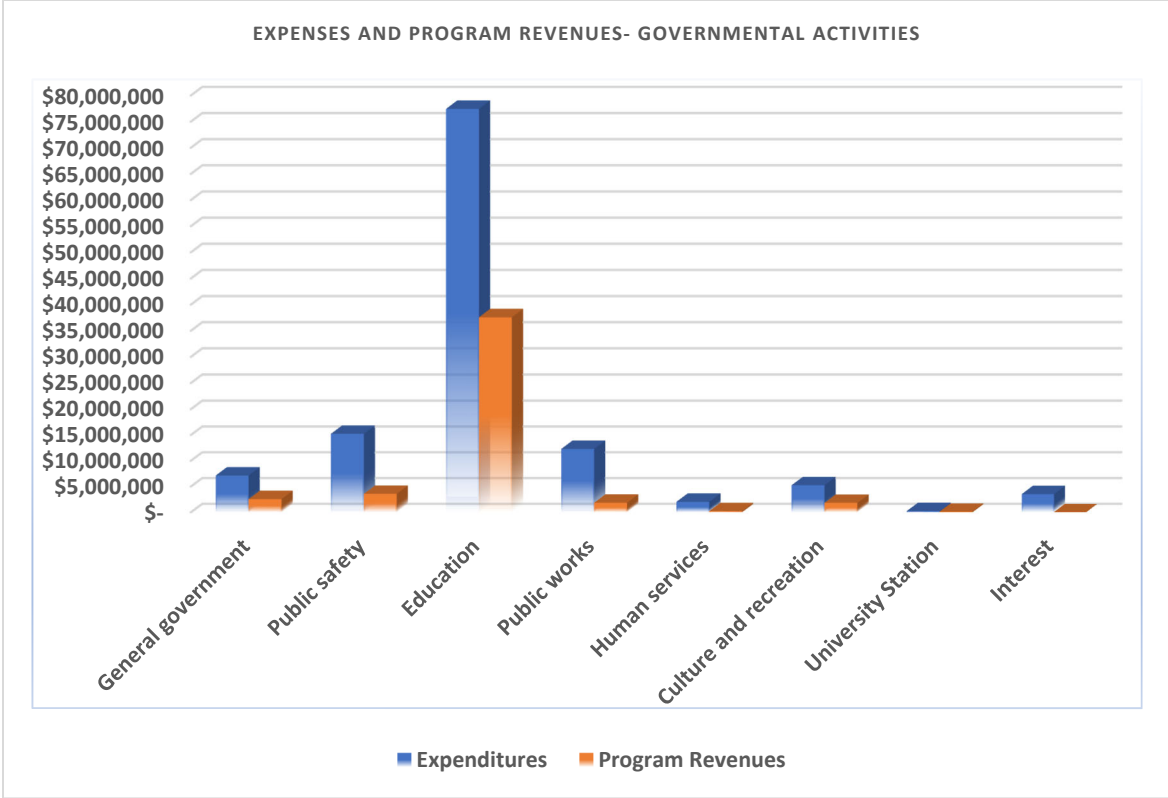
	2023	2022
<b>Program Revenues:</b>		
Charges for services.....	\$ 9,937,583	\$ 8,389,825
Operating grants and contributions.....	21,476,967	19,794,397
Capital grants and contributions.....	16,261,921	173,018
<b>General Revenues:</b>		
Real estate and personal property taxes, net of tax refunds payable.....	89,889,023	85,435,223
Motor vehicle and other excise taxes.....	3,791,070	3,403,239
Hotel/motel tax.....	359,399	268,776
Meals tax.....	526,245	462,051
Penalties and interest on taxes.....	186,332	337,546
Grants and contributions not restricted to specific programs.....	866,025	894,107
Unrestricted investment income (loss).....	2,070,095	(128,740)
<b>Total revenues.....</b>	<b>145,364,660</b>	<b>119,029,442</b>
<b>Expenses:</b>		
General government.....	7,121,511	5,860,736
Public safety.....	15,209,540	14,477,372
Education.....	77,421,649	70,503,133
Public works.....	12,278,591	11,734,488
Health and human services.....	2,015,222	1,748,163
Culture and recreation.....	5,237,394	4,168,664
University Station.....	225,238	180,015
Interest.....	3,510,507	816,924
<b>Total expenses.....</b>	<b>123,019,652</b>	<b>109,489,495</b>
<b>Change in net position.....</b>	<b>22,345,008</b>	<b>9,539,947</b>
<b>Net position, beginning of year.....</b>	<b>55,828,859</b>	<b>46,288,912</b>
<b>Net position, end of year.....</b>	<b>\$ 78,173,867</b>	<b>\$ 55,828,859</b>

- Charges for services represent about 6.84% 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 public safety, education and culture and recreation operations, such as traffic mitigation revenue, building permits, ambulance revenue, athletic receipts, kindergarten revenue and bus fees.
- Operating grants and contributions account for 14.77% of the governmental activities resources. Most of these resources apply to education, and general government operations.
- Capital grants and contributions account for 11.19% of the governmental activities resources. The significant increase in this category is related to capital construction grants received from the Massachusetts School Building Authority.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 61.84% of all resources. Real estate and personal property tax collections increased 5.2% 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.

# FY23 Governmental Revenues



- Other taxes and other revenues comprised a total of 3% 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 63% of total governmental expenses. Program revenues of \$37.6 million provided direct support to education and \$39.9 million in taxes and other general revenue were needed to cover the remaining 2023 operating expenses.
- General government, public safety, public works and culture and recreation are significant activities of the Town. Program revenues for general government of \$2.5 million, public safety of \$3.6 million, public works of \$1.8 million and culture and recreation of \$1.8 million are directly supporting \$7.1 million, \$15.2 million, \$12.3 million and \$5.2 million of operating expenses, respectively. Taxes and other general revenue of \$30.1 million were needed to cover the remaining 2023 operating expenses for these activities. Combined, they represent 32% of governmental activity expenses.
- Interest expenses increased significantly as the first interest payments on the debt issued for the Hanlon Elementary School building project began in fiscal year 2023.
- The increase in net position of \$22.3 million primarily relates to the \$16.3 million of capital grants and contributions received during the year, as noted above. Further assisting in the increase was the \$3.7 million change in the net OPEB liability and related deferred outflows and inflows of resources, and the \$1.4 million change in the net pension liability and related deferred outflows and inflows of resources. These increases were slightly reduced by a \$2.7 million increase in the estimated accrued interest due to the issuance of \$52.6 million in long-term debt during the year.



**Business-type activities.** For sewer business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14.9 million at the close of 2023. Net investment in capital assets totaled \$10.1 million while unrestricted net position totaled \$4.8 million. There was a net decrease of \$269,000 in net position reported in connection with the sewer enterprise. Revenues decreased \$24,000 while operating expenses decreased by \$65,000, mainly due to the decrease in cost of services and administration.

	2023	2022
<b>Assets:</b>		
Current assets.....	\$ 6,693,710	\$ 7,026,620
Capital assets, non depreciable.....	350,850	462,174
Capital assets, net of accumulated depreciation....	10,056,192	10,331,017
<b>Total assets.....</b>	<b>17,100,752</b>	<b>17,819,811</b>
<b>Deferred outflows of resources.....</b>	<b>262,966</b>	<b>119,781</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	108,222	240,971
Noncurrent liabilities (excluding debt).....	1,632,267	1,254,987
Current debt.....	167,500	167,500
Noncurrent debt.....	100,000	267,500
<b>Total liabilities.....</b>	<b>2,007,989</b>	<b>1,930,958</b>
<b>Deferred inflows of resources.....</b>	<b>443,357</b>	<b>827,163</b>
<b>Net position:</b>		
Net investment in capital assets.....	10,139,542	10,358,191
Unrestricted.....	4,772,830	4,823,280
<b>Total net position.....</b>	<b>\$ 14,912,372</b>	<b>\$ 15,181,471</b>

	2023	2022
<b>Program Revenues:</b>		
Charges for services..... \$	5,243,836	\$ 4,911,277
Capital grants and contributions.....	24,520	381,514
<b>Total revenues.....</b>	<b>5,268,356</b>	<b>5,292,791</b>
<b>Expenses:</b>		
Sewer.....	5,537,455	5,494,225
<b>Change in net position.....</b>	<b>(269,099)</b>	<b>(201,434)</b>
<b>Net position, beginning of year.....</b>	<b>15,181,471</b>	<b>15,382,905</b>
<b>Net position, end of year..... \$</b>	<b>14,912,372</b>	<b>\$ 15,181,471</b>

### 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 \$60.6 million, an increase of \$18.5 million from the prior year. The general fund reported a decrease of \$10,000, the facilities renovation fund reported an increase of \$16.5 million, roadway improvements fund reported a decrease of \$76,000, and the nonmajor governmental funds reported an increase of \$2.1 million. The facilities renovation and roadway improvement funds fluctuations relate to the timing difference between capital renovation expenses and funding through bond issuances. The nonmajor increase related mainly to expected timing differences between the receipt and expenditures of grants and revolving funds.

The general fund is the Town's chief operating fund. The ending fund balance decreased by \$10,000 in comparison with the prior year.

Real estate tax revenue increased from 2022 by \$4.3 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 \$15.7 million, while total fund balance totaled \$29.5 million. The \$6.0 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$7.7 million of assigned fund balance represents \$4.8 million in encumbrances to meet contractual obligations at year end and \$2.9 million in available funds appropriated before year end to fund the fiscal year 2024 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 13.7% of total general fund expenditures, while total fund balance represents 25.6% 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 7.0% of general fund expenditures. These

funds can be used for general or capital purposes upon Town Meeting approval. Please refer to Note 8 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 \$52.6 million in long term debt to fund the Hanlon Elementary School project and expended \$50.6 million on this project. The fund balance increased \$16.5 million from the prior year, due to the timing difference between the issuance of long-term debt and the related capital expenditures.

The roadway improvement fund is used to account for construction, reconstruction and improvement of roadways, streets, and sidewalks. During the year the Town expended \$495,000 on projects and received \$419,000 from state reimbursements. The fund balance decreased \$76,000 from the prior year.

### **General Fund Budgetary Highlights**

The final general fund appropriation budget totaled \$122.5 million, which included \$14.0 million in encumbrances and articles that were carried over from the prior year. The final budget also included the planned use of \$2.3 million of transfers from other funds and \$3.9 million of free cash.

General fund revenues came in over budget by \$4.5 million. The majority of this surplus was generated from motor vehicle excise taxes, licenses and permits and investment income.

General fund expenditures and encumbrances were lower than final budget by \$2.6 million, with the majority of the variance occurring in benefits and shared fixed costs and the reserve funds which turned back \$1.4 million and \$454,000, respectively.

The \$1.2 million increase between the original budget and the final amended budget was primarily from supplementary appropriations from free cash and the reserve funds. 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, 2023, totaled \$86.6 million of which, \$4.8 million is related to library projects, \$59.1 million is related to school projects, \$16.7 million is related to public safety projects, \$5.7 million is related to roadway improvements, \$50,000 for department equipment and \$260,000 is for land development.

The enterprise fund has \$268,000 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 the Hanlon elementary school building project, other building improvements, public safety and public works vehicles, school computers and equipment, and roadway improvements.

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

**Capital Assets**

<b>Governmental activities:</b>	Cost of Capital Assets	Accumulated Depreciation at end of year	Capital Assets, net
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Land.....	\$ 6,374,569	\$ -	\$ 6,374,569
Construction in progress.....	55,997,733	-	55,997,733
Buildings and improvements.....	143,914,830	(64,836,148)	79,078,682
Vehicles.....	11,911,862	(10,402,355)	1,509,507
Machinery and equipment.....	18,751,242	(16,444,139)	2,307,103
Infrastructure.....	64,441,601	(37,920,036)	26,521,565
	<u>301,391,837</u>	<u>(129,602,678)</u>	<u>171,789,159</u>
 <b>Business-type activities:</b>			
Land.....	350,850	-	350,850
Plant and infrastructure.....	19,224,095	(10,895,579)	8,328,516
Other buildings and improvements.....	6,339,070	(4,688,973)	1,650,097
Vehicles.....	581,523	(521,400)	60,123
Machinery and equipment.....	510,212	(492,756)	17,456
	<u>27,005,750</u>	<u>(16,598,708)</u>	<u>10,407,042</u>
 Total capital assets.....	 <u>\$ 328,397,587</u>	 <u>\$ (146,201,386)</u>	 <u>\$ 182,196,201</u>

## Governmental Bonds Payable

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2022	Issued	Redeemed	Outstanding at June 30, 2023
Municipal Purpose Bonds of August 2008.....	2023	\$ 3,830,000	3.50 - 4.00	\$ 130,000	\$ -	\$ (130,000)	\$ -
Municipal Purpose Bonds of March 2012.....	2023	19,095,000	2.00 - 4.00	1,755,000	-	(1,755,000)	-
Municipal Purpose Bonds of May 2014.....	2024	1,400,000	2.00 - 2.50	280,000	-	(140,000)	140,000
Municipal Purpose Bonds of September 2015.....	2036	10,450,000	2.50 - 5.00	6,850,000	-	(525,000)	6,325,000
Municipal Purpose Bonds of September 2016.....	2046	16,645,000	2.00 - 4.00	12,140,000	-	(750,000)	11,390,000
Municipal Purpose Bonds of March 2021.....	2041	2,726,696	2.00 - 5.00	2,540,000	-	(185,000)	2,355,000
Municipal Purpose Bonds of March 2021 - Refunding.....	2031	4,988,304	2.00 - 5.00	4,435,000	-	(515,000)	3,920,000
Municipal Purpose Bonds of April 2022.....	2052	6,380,000	2.75-5.00	6,380,000	-	(535,000)	5,845,000
Municipal Purpose Bonds of August 2022.....	2053	56,575,000	4.00-5.00	4,000,000	52,575,000	-	56,575,000
Total Governmental Activities.....				\$ 38,510,000	\$ 52,575,000	\$ (4,535,000)	\$ 86,550,000

## Enterprise Bonds Payable

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2022	Issued	Redeemed	Outstanding at June 30, 2023
Municipal Purpose Bonds of May 2014.....	2024	\$ 1,570,000	2.00 - 2.50	\$ 310,000	\$ -	\$ (155,000)	\$ 155,000
MWRA - Sewer Bond - Direct Borrowing.....	2032	125,000	0.00	125,000	-	(12,500)	112,500
Total Enterprise Bonds Payable.....				\$ 435,000	\$ -	\$ (167,500)	\$ 267,500

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 2024 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 2024 budget increased the following structurally balanced budget decisions:

- The Town provided for an approximate 5.8% increase for the school and 4.6% increase for municipal 2024 operating budgets.
- The 2024 budget has continued a high level of capital budgets through additional use of hotel and meals tax.
- The 2024 budget provides for a \$125,000 appropriation to the stabilization reserve account. This is an ongoing appropriation funded within the budget.
- The 2024 budget provides for a \$1.5 million appropriation to the OPEB Trust account. This is an ongoing appropriation funded with the budget.
- The 2024 commercial and residential tax rates are not yet finalized but are expected to increase approximately 8%.



## **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.

# *Basic Financial Statements*

**STATEMENT OF NET POSITION**

JUNE 30, 2023

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 72,283,371	\$ 5,289,853	\$ 77,573,224
Investments.....	7,508,959	-	7,508,959
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	940,459	-	940,459
Tax liens.....	751,721	-	751,721
Motor vehicle excise taxes.....	322,823	-	322,823
User charges.....	-	1,403,857	1,403,857
Departmental and other.....	792,268	-	792,268
Intergovernmental.....	7,732,520	-	7,732,520
Tax foreclosures.....	299,376	-	299,376
Total current assets.....	<u>90,631,497</u>	<u>6,693,710</u>	<u>97,325,207</u>
<b>NONCURRENT:</b>			
Capital assets, nondepreciable.....	62,372,302	350,850	62,723,152
Capital assets, net of accumulated depreciation.....	<u>109,416,857</u>	<u>10,056,192</u>	<u>119,473,049</u>
Total noncurrent assets.....	<u>171,789,159</u>	<u>10,407,042</u>	<u>182,196,201</u>
<b>TOTAL ASSETS.....</b>	<u>262,420,656</u>	<u>17,100,752</u>	<u>279,521,408</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions.....	9,058,527	219,341	9,277,868
Deferred outflows related to other postemployment benefits.....	<u>1,410,528</u>	<u>43,625</u>	<u>1,454,153</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES.....</b>	<u>10,469,055</u>	<u>262,966</u>	<u>10,732,021</u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	9,441,085	83,773	9,524,858
Accrued payroll.....	6,077,803	11,705	6,089,508
Tax refunds payable.....	868,858	-	868,858
Accrued interest.....	3,221,651	1,744	3,223,395
Other liabilities.....	1,117,486	-	1,117,486
Unearned revenue.....	1,838,577	-	1,838,577
Compensated absences.....	1,468,000	11,000	1,479,000
Notes payable.....	1,225,000	-	1,225,000
Bonds payable.....	<u>3,337,237</u>	<u>167,500</u>	<u>3,504,737</u>
Total current liabilities.....	<u>28,595,697</u>	<u>275,722</u>	<u>28,871,419</u>
<b>NONCURRENT:</b>			
Compensated absences.....	855,000	-	855,000
Net pension liability.....	40,389,554	977,981	41,367,535
Net other postemployment benefits liability.....	21,155,237	654,286	21,809,523
Bonds payable.....	<u>89,218,329</u>	<u>100,000</u>	<u>89,318,329</u>
Total noncurrent liabilities.....	<u>151,618,120</u>	<u>1,732,267</u>	<u>153,350,387</u>
<b>TOTAL LIABILITIES.....</b>	<u>180,213,817</u>	<u>2,007,989</u>	<u>182,221,806</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes paid in advance.....	124,010	-	124,010
Deferred inflows related to pensions.....	197,183	4,775	201,958
Deferred inflows related to other postemployment benefits.....	<u>14,180,834</u>	<u>438,582</u>	<u>14,619,416</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<u>14,502,027</u>	<u>443,357</u>	<u>14,945,384</u>
<b>NET POSITION</b>			
Net investment in capital assets.....	97,907,275	10,139,542	108,046,817
Restricted for:			
Permanent funds:			
Expendable.....	136,805	-	136,805
Nonexpendable.....	463,882	-	463,882
Gifts.....	679,190	-	679,190
Grants.....	2,280,803	-	2,280,803
Unrestricted.....	<u>(23,294,088)</u>	<u>4,772,830</u>	<u>(18,521,258)</u>
<b>TOTAL NET POSITION.....</b>	<u>\$ 78,173,867</u>	<u>\$ 14,912,372</u>	<u>\$ 93,086,239</u>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

<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>	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 7,121,511	\$ 1,108,201	\$ 1,436,386	\$ -	\$ (4,576,924)
Public safety.....	15,209,540	3,329,592	226,870	-	(11,653,078)
Education.....	77,421,649	3,650,594	18,633,630	15,278,814	(39,858,611)
Public works.....	12,278,591	112,015	734,072	983,107	(10,449,397)
Human services.....	2,015,222	63,147	153,831	-	(1,798,244)
Culture and recreation.....	5,237,394	1,674,034	139,749	-	(3,423,611)
University Station.....	225,238	-	125,153	-	(100,085)
Interest.....	3,510,507	-	27,276	-	(3,483,231)
Total Governmental Activities.....	<u>123,019,652</u>	<u>9,937,583</u>	<u>21,476,967</u>	<u>16,261,921</u>	<u>(75,343,181)</u>
<i>Business-Type Activities:</i>					
Sewer.....	<u>5,537,455</u>	<u>5,243,836</u>	<u>-</u>	<u>24,520</u>	<u>(269,099)</u>
Total Primary Government.....	<u>\$ 128,557,107</u>	<u>\$ 15,181,419</u>	<u>\$ 21,476,967</u>	<u>\$ 16,286,441</u>	<u>\$ (75,612,280)</u>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page.....	\$ (75,343,181)	\$ (269,099)	\$ (75,612,280)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	89,889,023	-	89,889,023
Motor vehicle excise taxes.....	3,791,070	-	3,791,070
Hotel/motel tax.....	359,399	-	359,399
Meals tax.....	526,245	-	526,245
Penalties and interest on taxes.....	186,332	-	186,332
Grants and contributions not restricted to specific programs.....	866,025	-	866,025
Unrestricted investment income.....	2,070,095	-	2,070,095
Total general revenues.....	97,688,189	-	97,688,189
Change in net position.....	22,345,008	(269,099)	22,075,909
<i>Net position:</i>			
Beginning of year.....	55,828,859	15,181,471	71,010,330
End of year.....	\$ 78,173,867	\$ 14,912,372	\$ 93,086,239

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2023

	General	Facilities Renovation	Roadway Improvements	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 29,319,402	\$ 26,134,466	\$ 2,100,671	\$ 14,728,832	\$ 72,283,371
Investments.....	7,458,909	-	-	50,050	7,508,959
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	940,459	-	-	-	940,459
Tax liens.....	751,721	-	-	-	751,721
Motor vehicle excise taxes.....	322,823	-	-	-	322,823
Departmental and other.....	58,249	-	-	734,019	792,268
Intergovernmental.....	581,546	6,436,080	-	714,894	7,732,520
Tax foreclosures.....	299,376	-	-	-	299,376
Due from other funds.....	509,787	-	-	-	509,787
<b>TOTAL ASSETS.....</b>	<b>\$ 40,242,272</b>	<b>\$ 32,570,546</b>	<b>\$ 2,100,671</b>	<b>\$ 16,227,795</b>	<b>\$ 91,141,284</b>
<b>LIABILITIES</b>					
Warrants payable.....	\$ 1,122,168	\$ 7,762,056	\$ 90,725	\$ 466,136	\$ 9,441,085
Accrued payroll.....	6,077,803	-	-	-	6,077,803
Tax refunds payable.....	868,858	-	-	-	868,858
Due to other funds.....	-	-	-	509,787	509,787
Other liabilities.....	500,041	-	-	617,445	1,117,486
Unearned revenue.....	-	-	-	1,838,577	1,838,577
Notes payable.....	-	-	1,225,000	-	1,225,000
<b>TOTAL LIABILITIES.....</b>	<b>8,568,870</b>	<b>7,762,056</b>	<b>1,315,725</b>	<b>3,431,945</b>	<b>21,078,596</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes paid in advance.....	124,010	-	-	-	124,010
Unavailable revenue.....	2,080,214	6,436,080	-	790,458	9,306,752
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>2,204,224</b>	<b>6,436,080</b>	<b>-</b>	<b>790,458</b>	<b>9,430,762</b>
<b>FUND BALANCES</b>					
Nonspendable.....	-	-	-	463,882	463,882
Restricted.....	-	18,372,410	784,946	11,541,510	30,698,866
Committed.....	6,014,767	-	-	-	6,014,767
Assigned.....	7,723,812	-	-	-	7,723,812
Unassigned.....	15,730,599	-	-	-	15,730,599
<b>TOTAL FUND BALANCES.....</b>	<b>29,469,178</b>	<b>18,372,410</b>	<b>784,946</b>	<b>12,005,392</b>	<b>60,631,926</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 40,242,272</b>	<b>\$ 32,570,546</b>	<b>\$ 2,100,671</b>	<b>\$ 16,227,795</b>	<b>\$ 91,141,284</b>

See notes to basic financial statements.

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

JUNE 30, 2023

Total governmental fund balances.....	\$	60,631,926
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		171,789,159
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		9,306,752
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.....		(3,908,962)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(3,221,651)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(92,555,566)	
Net pension liability.....	(40,389,554)	
Other postemployment benefits.....	(21,155,237)	
Compensated absences.....	<u>(2,323,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(156,423,357)</u>
Net position of governmental activities.....	\$	<u>78,173,867</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	General	Facilities Renovation	Roadway Improvements	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 89,814,143	\$ -	\$ -	\$ -	\$ 89,814,143
Motor vehicle excise taxes.....	3,727,446	-	-	-	3,727,446
Hotel/motel tax.....	359,399	-	-	-	359,399
Meals tax.....	526,245	-	-	-	526,245
Charges for services.....	372,817	-	-	5,614,678	5,987,495
Penalties and interest on taxes.....	186,332	-	-	-	186,332
Licenses and permits.....	2,060,183	-	-	-	2,060,183
Fines and forfeitures.....	4,010	-	-	-	4,010
Intergovernmental - Teachers Retirement.....	8,478,000	-	-	-	8,478,000
Intergovernmental.....	8,359,734	9,105,200	419,178	6,443,652	24,327,764
Departmental and other.....	697,190	-	-	1,694,367	2,391,557
Contributions and donations.....	-	-	-	333,232	333,232
Investment income.....	2,057,328	-	-	12,768	2,070,096
<b>TOTAL REVENUES.....</b>	<b>116,642,827</b>	<b>9,105,200</b>	<b>419,178</b>	<b>14,098,697</b>	<b>140,265,902</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	3,386,892	-	-	1,022,858	4,409,750
Public safety.....	10,639,613	-	-	107,252	10,746,865
Education.....	51,896,625	50,573,052	-	7,673,930	110,143,607
Public works.....	7,325,137	-	494,845	1,064,882	8,884,864
Human services.....	1,237,266	-	-	167,597	1,404,863
Culture and recreation.....	2,052,500	-	-	1,457,347	3,509,847
University Station.....	51,292	-	-	173,946	225,238
Pension benefits.....	6,572,941	-	-	-	6,572,941
Pension benefits - Teachers Retirement.....	8,478,000	-	-	-	8,478,000
Property and liability insurance.....	590,724	-	-	-	590,724
Employee benefits.....	10,088,088	-	-	-	10,088,088
State and county charges.....	789,382	-	-	-	789,382
Capital outlay.....	5,987,653	72,062	-	-	6,059,715
Debt service:					
Principal.....	4,535,000	-	-	-	4,535,000
Interest.....	1,283,919	-	-	-	1,283,919
<b>TOTAL EXPENDITURES.....</b>	<b>114,915,032</b>	<b>50,645,114</b>	<b>494,845</b>	<b>11,667,812</b>	<b>177,722,803</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>1,727,795</b>	<b>(41,539,914)</b>	<b>(75,667)</b>	<b>2,430,885</b>	<b>(37,456,901)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of bonds.....	-	52,575,000	-	-	52,575,000
Premium from issuance of bonds.....	-	3,425,000	-	-	3,425,000
Transfers in.....	598,453	2,036,513	-	300,000	2,934,966
Transfers out.....	(2,336,513)	-	-	(598,453)	(2,934,966)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(1,738,060)</b>	<b>58,036,513</b>	<b>-</b>	<b>(298,453)</b>	<b>56,000,000</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(10,265)</b>	<b>16,496,599</b>	<b>(75,667)</b>	<b>2,132,432</b>	<b>18,543,099</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>29,479,443</b>	<b>1,875,811</b>	<b>860,613</b>	<b>9,872,960</b>	<b>42,088,827</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 29,469,178</b>	<b>\$ 18,372,410</b>	<b>\$ 784,946</b>	<b>\$ 12,005,392</b>	<b>\$ 60,631,926</b>

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, 2023

Net change in fund balances - total governmental funds.....	\$	18,543,099
<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.....		55,601,794
Depreciation expense.....		<u>(8,396,184)</u>
Net effect of reporting capital assets.....		47,205,610
<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>		
		5,098,758
<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>		
Issuance of bonds.....		(52,575,000)
Premium from issuance of bonds.....		(3,425,000)
Net amortization of premium from issuance of bonds.....		519,469
Debt service principal payments.....		<u>4,535,000</u>
Net effect of reporting long-term debt.....		(50,945,531)
<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.....		40,000
Net change in accrued interest on long-term debt.....		(2,746,057)
Net change in deferred outflow/(inflow) of resources related to pensions.....		16,075,999
Net change in net pension liability.....		(14,654,853)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...		4,453,289
Net change in other postemployment benefits liability.....		<u>(725,306)</u>
Net effect of recording long-term liabilities.....		<u>2,443,072</u>
Change in net position of governmental activities.....	\$	<u><u>22,345,008</u></u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF NET POSITION

JUNE 30, 2023

		Business-Type Sewer Enterprise
<b>ASSETS</b>		
CURRENT:		
Cash and cash equivalents.....	\$	5,289,853
Receivables, net of allowance for uncollectibles:		
User charges.....		1,403,857
Total current assets.....		<u>6,693,710</u>
NONCURRENT:		
Capital assets, non depreciable.....		350,850
Capital assets, net of accumulated depreciation.....		<u>10,056,192</u>
Total noncurrent assets.....		<u>10,407,042</u>
TOTAL ASSETS.....		<u>17,100,752</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions.....		219,341
Deferred outflows related to other postemployment benefits.....		<u>43,625</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....		<u>262,966</u>
<b>LIABILITIES</b>		
CURRENT:		
Warrants payable.....		83,773
Accrued payroll.....		11,705
Accrued interest.....		1,744
Compensated absences.....		11,000
Bonds payable.....		<u>167,500</u>
Total current liabilities.....		<u>275,722</u>
NONCURRENT:		
Net pension liability.....		977,981
Net other postemployment benefits liability.....		654,286
Bonds payable.....		<u>100,000</u>
Total noncurrent liabilities.....		<u>1,732,267</u>
TOTAL LIABILITIES.....		<u>2,007,989</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions.....		4,775
Deferred inflows related to other postemployment benefits.....		<u>438,582</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....		<u>443,357</u>
<b>NET POSITION</b>		
Net investment in capital assets.....		10,139,542
Unrestricted.....		<u>4,772,830</u>
TOTAL NET POSITION.....	\$	<u><u>14,912,372</u></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	Business-Type Sewer Enterprise
<u>OPERATING REVENUES:</u>	
Charges for services.....	\$ 5,243,836
<u>OPERATING EXPENSES:</u>	
Cost of services and administration.....	1,494,783
MWRA assessment.....	3,274,618
Depreciation.....	763,016
TOTAL OPERATING EXPENSES.....	5,532,417
OPERATING INCOME (LOSS).....	(288,581)
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	(5,038)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS.....	(293,619)
<u>CAPITAL CONTRIBUTIONS:</u>	
Sewer betterments.....	24,520
CHANGE IN NET POSITION.....	(269,099)
NET POSITION AT BEGINNING OF YEAR.....	15,181,471
NET POSITION AT END OF YEAR.....	\$ 14,912,372

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

	<u>Business-type Sewer Enterprise</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
Receipts from customers and users.....	\$ 5,112,147
Payments to vendors.....	(4,314,518)
Payments to employees.....	<u>(735,793)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>61,836</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>	
Proceeds from the issuance of bonds.....	125,000
Capital contributions.....	24,520
Acquisition and construction of capital assets.....	(376,867)
Principal payments on bonds.....	(292,500)
Interest expense.....	<u>(6,588)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(526,435)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(464,599)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>5,754,452</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 5,289,853</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u></b>	
<b><u>FROM OPERATING ACTIVITIES:</u></b>	
Operating income (loss).....	\$ <u>(288,581)</u>
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation.....	763,016
Deferred (outflows)/inflows related to pensions.....	(389,259)
Deferred (outflows)/inflows related to OPEB.....	(137,732)
Changes in assets and liabilities:	
User charges.....	(131,689)
Warrants payable.....	(128,831)
Accrued payroll.....	(1,368)
Compensated absences.....	(1,000)
Net pension liability.....	354,848
Net other postemployment benefits liability.....	<u>22,432</u>
Total adjustments.....	<u>350,417</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 61,836</u>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ -	\$ 332,666
Investments:		
Investments in Pension Reserve Investment Trust.....	<u>18,777,788</u>	<u>-</u>
<b>TOTAL ASSETS</b> .....	<u>18,777,788</u>	<u>332,666</u>
<b>NET POSITION</b>		
Restricted for other postemployment benefits.....	18,777,788	-
Held in trust for other purposes.....	<u>-</u>	<u>332,666</u>
<b>TOTAL NET POSITION</b> .....	<u>\$ 18,777,788</u>	<u>\$ 332,666</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
<b>ADDITIONS:</b>		
Contributions:		
Employer contributions to the trust.....	\$ 1,515,000	\$ -
Employer contributions for other postemployment benefit payments.....	1,740,670	-
Private donations.....	-	80,461
	<u>3,255,670</u>	<u>80,461</u>
Total contributions.....		
	<u>3,255,670</u>	<u>80,461</u>
Net investment income:		
Investment income.....	1,058,248	4,422
Less: investment expense.....	(90,087)	-
	<u>968,161</u>	<u>4,422</u>
Net investment income (loss).....	<u>968,161</u>	<u>4,422</u>
	<u>968,161</u>	<u>4,422</u>
TOTAL ADDITIONS.....	<u>4,223,831</u>	<u>84,883</u>
<b>DEDUCTIONS:</b>		
Other postemployment benefit payments.....	1,740,670	-
Educational scholarships.....	-	85,014
	<u>1,740,670</u>	<u>85,014</u>
TOTAL DEDUCTIONS.....	<u>1,740,670</u>	<u>85,014</u>
NET INCREASE (DECREASE) IN NET POSITION.....	2,483,161	(131)
NET POSITION AT BEGINNING OF YEAR.....	<u>16,294,627</u>	<u>332,797</u>
NET POSITION AT END OF YEAR.....	<u>\$ 18,777,788</u>	<u>\$ 332,666</u>

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, 2023, 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 2023.

<u>Joint Venture and Address</u>	<u>Purpose</u>	<u>2023 Assessment</u>
Blue Hills Regional Technical School District 800 Randolph Street, Canton MA 02021	To provide vocational education	<u>\$ 128,827</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 1<sup>st</sup> 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 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup>, and May 1<sup>st</sup> 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.

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:

Capital Asset Type	Estimated Useful Life (in years)
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 assets 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 assets 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 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 \$45,613,438 and the bank balance totaled \$46,256,759 Of the bank balance, \$17,727,223 was covered by Federal Depository Insurance, \$19,523,098 was covered by the Depositors Insurance Fund, \$24,985 was covered by Securities Investor Protector Corporation, and \$8,981,453 was collateralized.

Investments

As of June 30, 2023, 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.....	\$ 2,299,510	\$ 395,057	\$ 1,904,453	\$ -
Government sponsored enterprises.....	509,282	177,346	331,936	-
Corporate bonds.....	4,586,577	1,578,173	3,008,404	-
Total debt securities.....	7,395,369	<u>2,150,576</u>	<u>5,244,793</u>	<u>-</u>
<u>Other investments:</u>				
Equity mutual funds.....	50,050			
Fixed income mutual funds.....	63,540			
Pension Reserve Investment Trust (PRIT).....	18,777,788			
MMDT - Cash portfolio.....	32,292,453			
Total investments.....	\$ <u>58,579,200</u>			

Included in the Town's investments reported above is the Town's OPEB Trust. The OPEB Trust held \$18,777,788 at June 30, 2023, 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 1.98 to 14.64 years.

The Town participates in the MMDT cash portfolio with a weighted average maturity of 33 days.

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, 2023, 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 instrument 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, 2023.

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, 2023, are rated as follows:

<u>Quality Rating</u>	<u>Government Sponsored Enterprise</u>	<u>Corporate Bonds</u>
AA+.....	\$ 509,282	\$ -
A+.....	-	1,110,591
A.....	-	396,670
A-.....	-	644,921
BBB+.....	-	1,188,971
BBB.....	-	1,245,424
Total.....	<u>\$ 509,282</u>	<u>\$ 4,586,577</u>

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, 2023, 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, 2023:

Investment Type	June 30, 2023	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)
<b>Investments measured at fair value:</b>				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 2,299,510	\$ 2,299,510	\$ -	\$ -
Government sponsored enterprises.....	509,282	509,282	-	-
Corporate bonds.....	4,586,577	-	4,586,577	-
Total debt securities.....	7,395,369	2,808,792	4,586,577	-
<u>Other investments:</u>				
Equity mutual funds.....	50,050	50,050	-	-
Fixed income mutual funds.....	63,540	63,540	-	-
Total other investments.....	113,590	113,590	-	-
Total investments measured at fair value.....	7,508,959	\$ 2,922,382	\$ 4,586,577	\$ -
<b>Investments measured at amortized cost:</b>				
MMDT - Cash portfolio.....	32,292,453			
<b>Investments measured at net asset value:</b>				
Pension Reserve Investment Trust (PRIT).....	18,777,788			
Total investments.....	\$ 58,579,200			

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, 2023, 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.....	\$ 940,459	\$ -	\$ 940,459
Tax liens.....	751,721	-	751,721
Motor vehicle excise taxes.....	322,823	-	322,823
Departmental and other.....	1,683,268	(891,000)	792,268
Intergovernmental.....	7,732,520	-	7,732,520
Total.....	<u>\$ 11,430,791</u>	<u>\$ (891,000)</u>	<u>\$ 10,539,791</u>

At June 30, 2023, receivables for the enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Sewer user charges.....	\$ 1,403,857	\$ -	\$ 1,403,857

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 and other asset types:</u>			
Real estate and personal property taxes.....	\$ 648,045	\$ -	\$ 648,045
Tax liens.....	751,720	-	751,720
Motor vehicle excise taxes.....	322,823	-	322,823
Departmental and other.....	58,250	585,351	643,601
Intergovernmental - highway improvements.....	-	205,107	205,107
Intergovernmental - School Building Authority.....	-	6,436,080	6,436,080
Tax foreclosures.....	299,376	-	299,376
Total.....	<u>\$ 2,080,214</u>	<u>\$ 7,226,538</u>	<u>\$ 9,306,752</u>

**NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, TRANSFERS**

The Town’s interfund balance at June 30, 2023, consisted of \$509,787 in balances due to the general fund from the nonmajor governmental funds representing interfund borrowings for cash flow purposes.

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

Transfers Out:	Transfers In:				Total
	General fund	Facilities Renovation	Nonmajor governmental funds		
General fund .....	\$ -	\$ 2,036,513	\$ 300,000	\$ 2,336,513	(1)
Nonmajor governmental funds .....	17,000	-	-	17,000	(2)
Nonmajor governmental funds .....	563,075	-	-	563,075	(3)
Nonmajor governmental funds .....	18,378	-	-	18,378	(4)
<b>Total.....</b>	<b>\$ 598,453</b>	<b>\$ 2,036,513</b>	<b>\$ 300,000</b>	<b>\$ 2,934,966</b>	

- (1) – Transfer from the general fund to support the elementary school building project and senior tax relief.
- (2) – Transfer from special revenue revolving fund to support conservation operations.
- (3) – Transfer from special revenue ambulance receipts to support ambulance operations
- (4) – Transfer from special revenue bond premiums fund to support debt service expenditures.

**NOTE 5 – CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 6,374,569	\$ -	\$ -	\$ 6,374,569
Construction in progress.....	9,697,971	50,573,052	(4,273,290)	55,997,733
<b>Total capital assets not being depreciated....</b>	<b>16,072,540</b>	<b>50,573,052</b>	<b>(4,273,290)</b>	<b>62,372,302</b>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	137,694,342	6,220,488	-	143,914,830
Vehicles.....	11,041,684	933,429	(63,251)	11,911,862
Machinery and equipment.....	17,710,575	1,040,667	-	18,751,242
Infrastructure.....	65,293,364	1,107,448	(1,959,211)	64,441,601
<b>Total capital assets being depreciated.....</b>	<b>231,739,965</b>	<b>9,302,032</b>	<b>(2,022,462)</b>	<b>239,019,535</b>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(60,965,883)	(3,870,265)	-	(64,836,148)
Vehicles.....	(9,929,986)	(535,620)	63,251	(10,402,355)
Machinery and equipment.....	(15,692,742)	(751,397)	-	(16,444,139)
Infrastructure.....	(36,640,345)	(3,238,902)	1,959,211	(37,920,036)
<b>Total accumulated depreciation.....</b>	<b>(123,228,956)</b>	<b>(8,396,184)</b>	<b>2,022,462</b>	<b>(129,602,678)</b>
<b>Total capital assets being depreciated, net.....</b>	<b>108,511,009</b>	<b>905,848</b>	<b>-</b>	<b>109,416,857</b>
<b>Total governmental activities capital assets, net.....</b>	<b>\$ 124,583,549</b>	<b>\$ 51,478,900</b>	<b>\$ (4,273,290)</b>	<b>\$ 171,789,159</b>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 350,850	\$ -	\$ -	\$ 350,850
Construction in progress.....	111,324	-	(111,324)	-
Total capital assets not being depreciated....	462,174	-	(111,324)	350,850
<u>Capital assets being depreciated:</u>				
Plant and infrastructure.....	19,098,430	488,191	(362,526)	19,224,095
Other buildings and improvements.....	6,339,070	-	-	6,339,070
Vehicles.....	581,523	-	-	581,523
Machinery and equipment.....	510,212	-	-	510,212
Total capital assets being depreciated.....	26,529,235	488,191	(362,526)	26,654,900
<u>Less accumulated depreciation for:</u>				
Plant and infrastructure.....	(10,653,739)	(604,366)	362,526	(10,895,579)
Other buildings and improvements.....	(4,568,952)	(120,021)	-	(4,688,973)
Vehicles.....	(483,598)	(37,802)	-	(521,400)
Machinery and equipment.....	(491,929)	(827)	-	(492,756)
Total accumulated depreciation.....	(16,198,218)	(763,016)	362,526	(16,598,708)
Total capital assets being depreciated, net.....	10,331,017	(274,825)	-	10,056,192
Total business-type activities capital assets, net....	\$ 10,793,191	\$ (274,825)	\$ (111,324)	\$ 10,407,042

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

**Governmental Activities:**

General government.....	\$ 218,445
Public safety.....	1,087,068
Education.....	2,818,973
Public works.....	3,514,543
Human services.....	44,012
Culture and recreation.....	713,143
Total depreciation expense - governmental activities.....	\$ 8,396,184

**Business-Type Activities:**

Sewer.....	\$ 763,016
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**NOTE 6 – 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 2023:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2022	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2023
<b>Governmental Funds:</b>							
BAN	Conant Street Culvert Improvements...	4.00%	05/02/24	\$ -	\$ 200,000	\$ -	\$ 200,000
BAN	Cemetery Expansion.....	4.00%	05/02/24	-	125,000	-	125,000
BAN	Canton Street Sidewalk Design.....	4.00%	05/02/24	-	900,000	-	900,000
Total Governmental Funds.....				\$ -	\$ 1,225,000	\$ -	\$ 1,225,000



**NOTE 7 – 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, 2023, and the debt service requirements follow.

**Governmental Bonds Payable**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2022	Issued	Redeemed	Outstanding at June 30, 2023
Municipal Purpose Bonds of August 2008.....	2023	\$ 3,830,000	3.50 - 4.00	\$ 130,000	\$ -	\$ (130,000)	\$ -
Municipal Purpose Bonds of March 2012.....	2023	19,095,000	2.00 - 4.00	1,755,000	-	(1,755,000)	-
Municipal Purpose Bonds of May 2014.....	2024	1,400,000	2.00 - 2.50	280,000	-	(140,000)	140,000
Municipal Purpose Bonds of September 2015.....	2036	10,450,000	2.50 - 5.00	6,850,000	-	(525,000)	6,325,000
Municipal Purpose Bonds of September 2016.....	2046	16,645,000	2.00 - 4.00	12,140,000	-	(750,000)	11,390,000
Municipal Purpose Bonds of March 2021.....	2041	2,726,696	2.00 - 5.00	2,540,000	-	(185,000)	2,355,000
Municipal Purpose Bonds of March 2021 - Refunding..	2031	4,988,304	2.00 - 5.00	4,435,000	-	(515,000)	3,920,000
Municipal Purpose Bonds of April 2022.....	2052	6,380,000	2.75 - 5.00	6,380,000	-	(535,000)	5,845,000
Municipal Purpose Bonds of August 2022.....	2053	56,575,000	4.00 - 5.00	4,000,000	52,575,000	-	56,575,000
Total Bonds Payable.....				38,510,000	52,575,000	(4,535,000)	86,550,000
Add: Unamortized premium on bonds.....				3,100,035	3,425,000	(519,469)	6,005,566
Total Bonds Payable, net.....				\$ 41,610,035	\$ 56,000,000	\$ (5,054,469)	\$ 92,555,566

**Enterprise Bonds Payable**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2022	Issued	Redeemed	Outstanding at June 30, 2023
<b>Sewer General Obligation Bonds:</b>							
Municipal Purpose Bonds of May 2014.....	2024	\$ 1,570,000	2.00 - 2.50	\$ 310,000	\$ -	\$ (155,000)	\$ 155,000
<b>Sewer Direct Borrowings:</b>							
Massachusetts Water Resources Authority - MWRA ....	2032	125,000	0.00	125,000	-	(12,500)	112,500
Total Enterprise Bonds Payable, net.....				\$ 435,000	\$ -	\$ (167,500)	\$ 267,500

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

Year	General Obligation Bonds:		
	Principal	Interest	Total
2024.....	\$ 2,660,000	\$ 4,817,708	\$ 7,477,708
2025.....	3,435,000	3,441,406	6,876,406
2026.....	3,485,000	3,275,860	6,760,860
2027.....	3,210,000	3,114,995	6,324,995
2028.....	3,255,000	2,969,722	6,224,722
2029.....	3,320,000	2,829,958	6,149,958
2030.....	3,240,000	2,685,881	5,925,881
2031.....	3,305,000	2,545,560	5,850,560
2032.....	2,505,000	2,413,508	4,918,508
2033.....	2,455,000	2,311,159	4,766,159
2034.....	2,530,000	2,212,631	4,742,631
2035.....	2,605,000	2,110,045	4,715,045
2036.....	2,690,000	2,002,016	4,692,016
2037.....	2,300,000	1,897,282	4,197,282
2038.....	2,385,000	1,795,707	4,180,707
2039.....	2,475,000	1,687,305	4,162,305
2040.....	2,575,000	1,574,157	4,149,157
2041.....	2,680,000	1,456,005	4,136,005
2042.....	2,685,000	1,343,732	4,028,732
2043.....	2,780,000	1,239,730	4,019,730
2044.....	2,870,000	1,132,030	4,002,030
2045.....	2,965,000	1,020,632	3,985,632
2046.....	3,035,000	905,330	3,940,330
2047.....	2,715,000	786,932	3,501,932
2048.....	2,820,000	677,030	3,497,030
2049.....	2,940,000	562,732	3,502,732
2050.....	3,060,000	443,580	3,503,580
2051.....	3,160,000	319,732	3,479,732
2052.....	3,295,000	191,344	3,486,344
2053.....	3,115,000	62,300	3,177,300
Total.....	\$ 86,550,000	\$ 53,826,009	\$ 140,376,009

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

General Obligation Bonds:			
Year	Principal	Interest	Total
2024.....	\$ 155,000	\$ 3,488	\$ 158,488

Direct Borrowings:			
Year	Principal	Interest	Total
2024.....	\$ 12,500	\$ -	\$ 12,500
2025.....	12,500	-	12,500
2026.....	12,500	-	12,500
2027.....	12,500	-	12,500
2028.....	12,500	-	12,500
2029.....	12,500	-	12,500
2030.....	12,500	-	12,500
2031.....	12,500	-	12,500
2032.....	12,500	-	12,500
Total.....	\$ 112,500	\$ -	\$ 112,500

The Town has received 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 2023, the final payment under this MSBA program, totaling \$1,401,000, was received.

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 2023, the Town has recorded grant proceeds totaling \$10,945,000 related to the Hanlon Elementary School project, from the MSBA, which is equal to 39.35% of approved construction costs submitted for reimbursement. The Town anticipates receiving an additional \$6,436,000 related to the project. Accordingly, a \$6,436,000 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. The Town has \$112,500 in loans outstanding at June 30, 2023. 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, 2023, the Town had the following authorized and unissued debt:

Purpose	Date Voted	Article	Amount
MSBA feasibility study.....	5/30/2018	14	\$ 202,889
Elementary schools bridge funding.....	5/3/2021	13	30,316
Elementary schools construction.....	10/18/2021	13	24,610,386
Conant St. culvert, cemetery expansion.....	5/2/2022	8	325,000
Canton St. sidewalk.....	5/2/2022	12	900,000
MWRA.....	5/1/2023	7	500,000
Fire ladder truck.....	5/1/2023	12	1,850,000
Cemetery expansion.....	5/1/2023	13	1,500,000
<b>Total.....</b>			<b>\$ 29,918,591</b>

Changes in Long-Term Liabilities

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Long-term Debt Issued	Long-term Debt Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
Long-term bonds payable.....	\$ 38,510,000	\$ 52,575,000	\$ (4,535,000)	\$ -	\$ -	\$ 86,550,000	\$ 2,660,000
Add: Unamortized premium on bonds..	3,100,035	3,425,000	(519,469)	-	-	6,005,566	677,237
Total bonds payable.....	41,610,035	56,000,000	(5,054,469)	-	-	92,555,566	3,337,237
Compensated absences.....	2,363,000	-	-	1,484,000	(1,524,000)	2,323,000	1,468,000
Net pension liability.....	25,734,701	-	-	21,072,401	(6,417,548)	40,389,554	-
Net other postemployment benefits.....	20,429,931	-	-	3,883,306	(3,158,000)	21,155,237	-
Total governmental activity long-term liabilities.....	\$ 90,137,667	\$ 56,000,000	\$ (5,054,469)	\$ 26,439,707	\$ (11,099,548)	\$ 156,423,357	\$ 4,805,237
<b>Business-Type Activities:</b>							
Long-term bonds payable.....	\$ 310,000	\$ -	\$ (155,000)	\$ -	\$ -	\$ 155,000	\$ 155,000
Long-term direct borrowing payable.....	125,000	-	(12,500)	-	-	112,500	12,500
Total bonds payable.....	435,000	-	(167,500)	-	-	267,500	167,500
Compensated absences.....	12,000	-	-	11,000	(12,000)	11,000	11,000
Net pension liability.....	623,133	-	-	510,241	(155,393)	977,981	-
Net other postemployment benefits.....	631,854	-	-	120,102	(97,670)	654,286	-
Total business-type activity long-term liabilities.....	\$ 1,701,987	\$ -	\$ (167,500)	\$ 641,343	\$ (265,063)	\$ 1,910,767	\$ 178,500

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 8 – 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 the principal portion of endowment funds as nonspendable. The net appreciation on endowments is reported as nonspendable and cannot be authorized for expenditure by the Town. Realized investment income is reported as restricted fund balance and restricted net position and may be authorized for expenditure.

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 Town from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the Town 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 total balance of Town's Stabilization funds totaled \$8.0 million and are reported as unassigned fund balance within the General Fund.

As of June 30, 2023, the governmental fund balance consisted of the following:

	General	Facilities Renovation	Roadway Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 463,882	\$ 463,882
Restricted for:					
Facilities renovations.....	-	18,372,410	-	-	18,372,410
Road improvements.....	-	-	784,946	-	784,946
Ambulance.....	-	-	-	1,644,644	1,644,644
Departmental grants and revolving funds.....	-	-	-	5,793,599	5,793,599
School lunch.....	-	-	-	477,934	477,934
Education grants.....	-	-	-	892,916	892,916
Education revolving.....	-	-	-	1,941,233	1,941,233
Expendable governmental trusts.....	-	-	-	3,925	3,925
University station.....	-	-	-	12,219	12,219
Student activity.....	-	-	-	238,235	238,235
Police station project.....	-	-	-	400,000	400,000
Cemetery.....	-	-	-	25,582	25,582
Other nonexpendable trust funds.....	-	-	-	111,223	111,223
Committed to:					
Articles and continuing appropriations:					
Select board.....	97,912	-	-	-	97,912
Assessor's department.....	85,000	-	-	-	85,000
Information systems.....	950,496	-	-	-	950,496
Mass housing and partnership/housing authority.....	41,436	-	-	-	41,436
Police department.....	282,263	-	-	-	282,263
Fire department.....	215,270	-	-	-	215,270
Education.....	3,173,754	-	-	-	3,173,754
Department of public works.....	555,877	-	-	-	555,877
Council on aging.....	135,373	-	-	-	135,373
Public library.....	50,460	-	-	-	50,460
Recreation.....	128,218	-	-	-	128,218
University Station.....	298,708	-	-	-	298,708
Assigned to:					
Treasurer's department.....	771	-	-	-	771
Legal department.....	50	-	-	-	50
Town clerk department.....	28	-	-	-	28
Police department.....	2,904	-	-	-	2,904
Fire department.....	19,282	-	-	-	19,282
Community and economic development.....	1,295	-	-	-	1,295
Department of public works.....	7,329	-	-	-	7,329
Youth and family services commission.....	1,687	-	-	-	1,687
Public library.....	16,242	-	-	-	16,242
Office communications.....	695	-	-	-	695
Town wide newsletter communication.....	7,823	-	-	-	7,823
Education.....	4,747,706	-	-	-	4,747,706
Audit services.....	15,500	-	-	-	15,500
Free cash used for subsequent year budget.....	2,902,500	-	-	-	2,902,500
Unassigned.....	15,730,599	-	-	-	15,730,599
Total Fund Balances.....	\$ 29,469,178	\$ 18,372,410	\$ 784,946	\$ 12,005,392	\$ 60,631,926

**NOTE 9 – 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 10 – 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 2023 totaled \$260,233 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, 2023, and therefore is not reported.

The Town is self-insured for unemployment compensation. During 2023, the Town appropriated \$164,031 to provide for anticipated costs of unemployment benefits. During 2023, claims related to unemployment compensation totaled \$101,803. The liability for unemployment compensation was not material at June 30, 2023, and therefore is not reported.

**NOTE 11 – 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 <https://mtrs.state.ma.us/service/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, 2022. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$8,478,000 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 \$103,066,489 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, 2022, which was \$6,572,941, 25.64% 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, 2023, the Town reported a liability of \$41,367,535, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2022, and December 31, 2021, the Town's proportion was 7.15%.



*Pension Expense*

For the year ended June 30, 2023, the Town recognized a pension expense of \$5,426,676, and reported deferred outflows of resources and inflows of resources related to pensions as follows:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 1,361,705	\$ -	\$ 1,361,705
Difference between projected and actual earnings, net.....	7,899,293	-	7,899,293
Changes in proportion and proportionate share of contributions...	16,870	(201,958)	(185,088)
Total deferred outflows/(inflows) of resources.....	\$ 9,277,868	\$ (201,958)	\$ 9,075,910

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

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

Year ended June 30:	
2024.....	\$ 942,742
2025.....	2,024,014
2026.....	2,151,643
2027.....	3,957,511
Total.....	\$ 9,075,910

*Actuarial Assumptions*

The total pension liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions.

Valuation date.....	January 1, 2022
Actuarial cost method.....	Entry Age Normal Cost Method.
Asset valuation method.....	Fair value.
Investment rate of return.....	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, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	30.5%	7.0%
International equities.....	15.5%	7.7%
Fixed income.....	20.5%	4.3%
Real estate.....	9.5%	6.9%
Private equity.....	10.0%	9.4%
Hedge funds.....	11.5%	8.6%
Real assets.....	2.5%	8.9%
Total.....	100.00%	

*Rate of Return*

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -11.82%. 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% at December 31, 2022 and December 31, 2021. 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.....	\$ 54,953,382	\$ 41,367,535	\$ 29,817,857

*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 12 – 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 2023, the Town’s contributed approximately \$3.3 million to the plan. For the year ended June 30, 2023, the Town’s average contribution rate was approximately 5.90% 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 2023, the Town pre-funded future OPEB liabilities by contributing \$1,515,000 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, 2023, the balance of this fund totaled \$18,777,788.

*Measurement Date*

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

*Employees Covered by Benefit Terms*

The following table represents the Plan’s membership at June 30, 2023:

Retired members or beneficiaries currently receiving benefits.....	383
Active members.....	<u>434</u>
Total.....	<u><u>817</u></u>

*Components of OPEB Liability*

The following table represents the components of the Plan’s OPEB liability as of June 30, 2023:

Total OPEB liability.....	\$ 40,587,311
Less: OPEB plan’s fiduciary net position.....	<u>(18,777,788)</u>
Net OPEB liability.....	<u><u>\$ 21,809,523</u></u>
The OPEB plan’s fiduciary net position as a percentage of the total OPEB liability.....	46.27%

*Significant Actuarial Methods and Assumptions*

The total OPEB liability in the June 30, 2021, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement that was updated to June 30, 2023 as follows:

Valuation date.....	June 30, 2021
Actuarial cost method.....	Entry Age Normal
Amortization method.....	Level Percentage of Payroll
Remaining amortization period.....	23 years from July 1, 2022
Asset valuation method.....	Fair Value
Investment rate of return.....	6.50%

Inflation.....	3.00%
Health care trend rates.....	Non-Medicare: 7.06% for 2 years, then 6.83%, then 6.59%, then 6.36%, then 6.00% decreasing by 0.25% for 6 years to an ultimate level of 4.50%. Medicare: 2.38%, then 4.49%, then 4.57%, then 4.66%, then 4.75%, then an ultimate rate 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 with Scale MP-2021
<i>Healthy Retiree (Non-Teachers)</i> .....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021
<i>Disabled Retiree (Non- Teachers)</i> .....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021
<i>Pre-Retirement (Teachers)</i> .....	Pub-2010 Teacher Employee Headcount-weighted Mortality Table projected generationally with Scale MP-2020
<i>Healthy Retiree (Teachers)</i> .....	Pub-2010 Teacher Healthy Retiree Headcount-weighted Mortality Table projected generationally with Scale MP-2020
<i>Disabled Retiree (Teachers)</i> .....	Pub-2010 Teacher Healthy Retiree Headcount-weighted Mortality Table projected generationally with Scale MP-2020

**Rate of Return**

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 5.48%. 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, 2023, 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 on the following page.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	20.50%	6.59%
International developed markets equity..	12.00%	6.87%
International emerging markets equity...	4.50%	8.30%
Core fixed income.....	15.00%	1.53%
High yield fixed income.....	8.00%	3.54%
Real estate.....	10.00%	3.44%
Timber.....	4.00%	4.01%
Hedge fund, GTAA, risk parity.....	10.00%	3.06%
Private equity.....	16.00%	9.49%
Total.....	100.00%	

#### *Discount Rate*

The discount rate used to measure the total OPEB liability was 6.50% as of June 30, 2023 and June 30, 2022. 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 6.50% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability.....	\$ 26,384,810	\$ 21,809,523	\$ 17,598,864

#### *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.....	\$ 16,306,786	\$ 21,809,523	\$ 28,620,817

*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, 2022.....	\$ 37,356,412	\$ 16,294,627	\$ 21,061,785
Changes for the year:			
Service cost.....	1,401,584	-	1,401,584
Interest.....	2,463,589	-	2,463,589
Contributions - employer.....	-	3,255,670	(3,255,670)
Net investment income (loss).....	-	968,161	(968,161)
Changes in assumptions and other inputs.....	1,106,396	-	1,106,396
Benefit payments.....	(1,740,670)	(1,740,670)	-
Net change.....	3,230,899	2,483,161	747,738
Balances at June 30, 2023.....	\$ <u>40,587,311</u>	\$ <u>18,777,788</u>	\$ <u>21,809,523</u>

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

For the year ended June 30, 2023 the Town recognized OPEB income of \$587,613 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.....	\$ 297,726	\$ (2,889,560)	\$ (2,591,834)
Difference between projected and actual earnings, net.....	208,085	-	208,085
Changes in assumptions.....	948,342	(11,729,856)	(10,781,514)
Total deferred outflows/(inflows) of resources.....	\$ <u>1,454,153</u>	\$ <u>(14,619,416)</u>	\$ <u>(13,165,263)</u>

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>	
2024.....	\$ (3,090,225)
2025.....	(3,189,212)
2026.....	(2,653,266)
2027.....	(2,181,286)
2028.....	(2,209,331)
Thereafter.....	<u>158,057</u>
 Total.....	 \$ <u><u>(13,165,263)</u></u>

*Changes of Assumptions* – The second-year trend rates were updated to reflect the known premium increases from fiscal year 2023 to 2024 and account for changes in the GIC plan offerings.

*Changes in Plan Provisions* – None.

**NOTE 13 – COMMITMENTS**

The Town is constructing a new elementary school. This \$87 million project, financed by Town and State funding, will consolidate two existing elementary schools into a new modern facility, with increased gymnasium and performance space, community trails and new playing fields. Construction is currently underway, with building occupancy expected to occur in February 2024.

The general fund has various pending transactions for goods and services related to articles and encumbrances totaling \$10.8 million.

**NOTE 14 – 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, 2023, 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, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2023.



**NOTE 15 – 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 2023 amounted to \$247,872.

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 16 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 29, 2023, which is the date the financial statements were available to be issued.

**NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2023, the following GASB pronouncements were implemented:

- GASB Statement #91, *Conduit Debt Obligations*. This pronouncement did not impact the basic financial statements.
- GASB Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #96, *Subscription-Based Information Technology Arrangements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #99, *Omnibus 2022*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.
- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.

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, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 89,751,611	\$ 89,751,611	\$ 89,601,784	\$ -	\$ (149,827)
Motor vehicle excise taxes.....	2,718,500	2,718,500	3,727,446	-	1,008,946
Charges for services.....	270,000	270,000	372,817	-	102,817
Penalties and interest on taxes.....	90,000	90,000	186,332	-	96,332
Licenses and permits.....	658,615	658,615	2,060,183	-	1,401,568
Fines and forfeitures.....	2,600	2,600	4,010	-	1,410
Intergovernmental.....	8,312,955	8,312,955	8,275,851	-	(37,104)
Departmental and other.....	387,131	387,131	564,816	-	177,685
Investment income.....	69,000	69,000	1,977,980	-	1,908,980
TOTAL REVENUES.....	102,260,412	102,260,412	106,771,219	-	4,510,807
<b>EXPENDITURES:</b>					
<b>GENERAL GOVERNMENT</b>					
<b>SELECT BOARD</b>					
Salaries.....	700,519	700,519	689,147	-	11,372
Expenditures.....	45,500	45,500	31,076	-	14,424
TOTAL.....	746,019	746,019	720,223	-	25,796
<b>FINANCE AND WARRANT COMMISSION</b>					
Salaries & expenditures.....	66,108	66,108	51,771	-	14,337
<b>ACCOUNTING DEPARTMENT</b>					
Salaries.....	284,527	284,527	283,053	-	1,474
Expenditures.....	7,000	7,000	5,372	-	1,628
TOTAL.....	291,527	291,527	288,425	-	3,102
<b>ASSESSOR'S DEPARTMENT</b>					
Salaries.....	231,871	231,871	210,661	-	21,210
Expenditures.....	22,450	22,450	19,828	-	2,622
TOTAL.....	254,321	254,321	230,489	-	23,832
<b>TREASURER'S DEPARTMENT</b>					
Salaries.....	129,953	129,953	129,725	-	228
Expenditures.....	10,450	10,450	8,553	771	1,126
TOTAL.....	140,403	140,403	138,278	771	1,354
<b>COLLECTOR'S DEPARTMENT</b>					
Salaries.....	130,179	130,179	122,807	-	7,372
Expenditures.....	84,650	84,650	84,559	-	91
TOTAL.....	214,829	214,829	207,366	-	7,463
<b>LEGAL DEPARTMENT</b>					
Salaries & expenditures.....	238,657	238,657	238,595	50	12
<b>HUMAN RESOURCES</b>					
Salaries.....	273,643	333,643	328,375	-	5,268
Expenditures.....	10,000	10,000	3,701	-	6,299
TOTAL.....	283,643	343,643	332,076	-	11,567
<b>INFORMATION SYSTEMS DEPARTMENT</b>					
Salaries.....	329,948	329,948	309,620	-	20,328
Expenditures.....	78,500	78,500	78,446	-	54
TOTAL.....	408,448	408,448	388,066	-	20,382

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
TOWN CLERK DEPARTMENT					
Salaries & expenditures.....	325,824	325,824	301,726	28	24,070
MASS HOUSING PARTNERSHIP/ HOUSING AUTHORITY					
Salaries & expenditures.....	36,662	36,662	36,651	-	11
OUTSIDE PROFESSIONAL SERVICES					
Expenditures.....	46,500	46,500	26,388	-	20,112
TRAINING/PROFESSIONAL DEVELOPMENT					
Expenditures.....	15,000	15,000	8,338	-	6,662
Total General Government.....	3,067,941	3,127,941	2,968,392	849	158,700
PUBLIC SAFETY					
POLICE DEPARTMENT.....					
Salaries & expenditures.....	5,107,302	5,182,302	4,939,470	2,904	239,928
FIRE DEPARTMENT.....					
Salaries & expenditures.....	5,370,729	5,616,729	5,595,809	19,282	1,638
Total Public Safety.....	10,478,031	10,799,031	10,535,279	22,186	241,566
COMMUNITY AND ECONOMIC DEVELOPMENT					
Salaries & expenditures.....	1,318,804	1,318,804	1,192,066	1,295	125,443
PUBLIC WORKS					
DEPARTMENT OF PUBLIC WORKS					
Salaries & expenditures.....	4,286,760	4,286,760	4,278,924	7,329	507
SNOW AND ICE					
Expenditures.....	450,000	450,000	449,593	-	407
Total Public Works.....	4,736,760	4,736,760	4,728,517	7,329	914
HUMAN SERVICES					
DISABILITY COMMISSION					
Salaries & expenditures.....	500	500	-	-	500
COUNCIL ON AGING					
Salaries.....	397,124	422,124	408,687	-	13,437
Expenditures.....	41,650	41,650	30,632	-	11,018
TOTAL.....	438,774	463,774	439,319	-	24,455
YOUTH AND FAMILY SERVICES COMMISSION					
Salaries.....	361,517	386,517	386,102	-	415
Expenditures.....	15,000	15,000	11,196	1,687	2,117
TOTAL.....	376,517	401,517	397,298	1,687	2,532
VETERANS SERVICES					
Salaries & expenditures.....	164,895	164,895	75,870	-	89,025
Total Human Services.....	980,686	1,030,686	912,487	1,687	116,512

(Continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>CULTURE AND RECREATION</b>					
<b>RECREATION</b>					
Salaries & expenditures.....	514,922	514,922	514,915	-	7
<b>PUBLIC LIBRARY</b>					
Salaries & expenditures.....	1,541,689	1,541,689	1,514,404	16,242	11,043
<b>MEMORIAL/VETERAN'S DAY/WESTWOOD DAY</b>					
Expenditures.....	23,800	23,800	23,181	-	619
Total Culture and Recreation.....	2,080,411	2,080,411	2,052,500	16,242	11,669
<b>OTHER</b>					
<b>OFFICE COMMUNICATIONS</b>					
Expenditures.....	166,000	166,000	165,220	695	85
<b>WESTWOOD PUBLIC SCHOOLS</b>					
Public Schools.....	56,163,949	56,163,949	51,407,775	4,747,706	8,468
Blue Hills Regional.....	131,397	131,397	128,827	-	2,570
Crossing Guards.....	122,072	122,072	104,334	-	17,738
Total Westwood Public Schools.....	56,417,418	56,417,418	51,640,936	4,747,706	28,776
TOTAL BENEFITS AND SHARED FIXED COSTS...	21,113,921	21,113,921	19,656,777	23,323	1,433,821
<b>RESERVE FUNDS</b>					
Other/Select Board fund.....	295,000	-	-	-	-
Special Town Meeting Reserve.....	60,000	60,000	10,920	-	49,080
Reserve Fund.....	405,000	405,000	-	-	405,000
Total Reserve Funds.....	760,000	465,000	10,920	-	454,080
UNIVERSITY STATION.....	2,386,513	350,000	51,292	298,708	-
CAPITAL OUTLAY.....	10,743,200	11,705,200	5,987,653	5,716,058	1,489
STATE AND COUNTY ASSESSMENTS.....	805,192	805,192	789,382	-	15,810
DEBT SERVICE PRINCIPAL.....	4,535,000	4,535,000	4,535,000	-	-
DEBT SERVICE INTEREST.....	1,283,919	1,283,919	1,283,919	-	-
TOTAL EXPENDITURES.....	120,873,796	119,935,283	106,510,340	10,836,078	2,588,865
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(18,613,384)	(17,674,871)	260,879	(10,836,078)	7,099,672
<b>OTHER FINANCING SOURCES (USES):</b>					
Use of prior year fund balance to fund carryovers.....	13,978,350	13,978,350	-	-	(13,978,350)
Use of free cash.....	3,498,250	3,891,250	-	-	(3,891,250)
Use of overlay.....	-	85,000	-	-	(85,000)
Transfers in.....	1,561,784	2,281,784	2,281,784	-	-
Transfers out.....	(425,000)	(2,561,513)	(2,561,513)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	18,613,384	17,674,871	(279,729)	-	(17,954,600)
NET CHANGE IN FUND BALANCE.....	-	-	(18,850)	(10,836,078)	(10,854,928)
BUDGETARY FUND BALANCE, Beginning of year.....	26,138,876	26,138,876	26,138,876	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 26,138,876	\$ 26,138,876	\$ 26,120,026	\$ (10,836,078)	\$ (10,854,928)

(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 the Town's 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, 2022.....	7.15%	\$ 41,367,535	\$ 25,377,418	163.01%	68.60%
December 31, 2021.....	7.15%	26,357,834	24,519,244	107.50%	79.40%
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, 2023.....	\$ 6,572,941	\$ (6,572,941)	-	\$ 25,631,192	25.64%
June 30, 2022.....	6,127,415	(6,127,415)	-	24,764,436	24.74%
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**

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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
2023.....	\$ 103,066,489	\$ 8,478,224	57.75%
2022.....	90,456,940	7,258,793	62.03%
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
<b>Total OPEB Liability</b>				
Service cost.....	\$ 1,237,052	\$ 1,495,348	\$ 1,542,520	\$ 1,591,178
Interest.....	3,287,987	3,247,123	3,455,390	3,677,936
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)
Net change in total OPEB liability.....	609,536	2,911,974	2,991,380	(2,440,961)
Total OPEB liability - beginning.....	43,582,252	44,191,788	47,103,762	50,095,142
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>
<b>Plan fiduciary net position</b>				
Employer contributions.....	\$ 1,350,000	\$ 1,390,000	\$ 1,415,000	\$ 1,440,000
Employer contributions for OPEB payments.....	1,995,030	1,830,497	2,006,530	1,912,326
Net investment income (loss).....	533,515	587,125	458,279	200,978
Benefit payments.....	(1,995,030)	(1,830,497)	(2,006,530)	(1,912,326)
Net change in plan fiduciary net position.....	1,883,515	1,977,125	1,873,279	1,640,978
Plan fiduciary net position - beginning of year.....	3,144,886	5,028,401	7,005,526	8,878,805
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>
<b>Net OPEB liability - ending (a)-(b).....</b>	<u>\$ 39,163,387</u>	<u>\$ 40,098,236</u>	<u>\$ 41,216,337</u>	<u>\$ 37,134,398</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	11.38%	14.87%	17.72%	22.08%
Covered-employee payroll.....	\$ 42,772,363	\$ 43,392,562	\$ 44,053,798	\$ 45,266,989
Net OPEB liability as a percentage of covered-employee payroll.....	91.56%	92.41%	93.56%	82.03%

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.

	June 30, 2021	June 30, 2022	June 30, 2023
\$	1,503,625	\$ 1,551,057	\$ 1,401,584
	3,368,418	3,581,904	2,463,589
	-	(4,045,381)	-
	-	(12,526,331)	1,106,396
	<u>(2,110,784)</u>	<u>(1,620,277)</u>	<u>(1,740,670)</u>
	2,761,259	(13,059,028)	3,230,899
	<u>47,654,181</u>	<u>50,415,440</u>	<u>37,356,412</u>
\$	<u>50,415,440</u>	<u>\$ 37,356,412</u>	<u>\$ 40,587,311</u>
\$	1,465,000	\$ 1,490,000	\$ 1,515,000
	2,110,784	1,620,277	1,740,670
	3,467,391	(647,547)	968,161
	<u>(2,110,784)</u>	<u>(1,620,277)</u>	<u>(1,740,670)</u>
	4,932,391	842,453	2,483,161
	<u>10,519,783</u>	<u>15,452,174</u>	<u>16,294,627</u>
\$	<u>15,452,174</u>	<u>\$ 16,294,627</u>	<u>\$ 18,777,788</u>
\$	<u>34,963,266</u>	<u>\$ 21,061,785</u>	<u>\$ 21,809,523</u>
	30.65%	43.62%	46.27%
\$	53,275,514	\$ 55,431,418	\$ 55,140,738
	65.63%	38.00%	39.55%

**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, 2023.....	\$ 2,670,811	\$ (3,255,670)	\$ (584,859)	\$ 55,140,738	5.90%
June 30, 2022.....	2,621,862	(3,110,277)	(488,415)	55,431,418	5.61%
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**

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<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2023.....	5.48%
June 30, 2022.....	-3.85%
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 2023 approved budget for the General Fund authorized approximately \$107.3 million in appropriations and other amounts to be raised and \$14.0 million in encumbrances and appropriations carried over from previous years. During 2023, the Town increased the original budget by \$1.2 million, 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, 2023, is presented on the following page.



Net change in fund balance - budgetary basis.....	\$ (18,850)
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	72,366
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	77,017
Net change in recording 60 day receipts.....	135,342
Net change in recording accrued expenditures.....	(360,023)
Net change in recording accrued receipts.....	83,883
Recognition of revenue for on-behalf payments.....	8,478,000
Recognition of expenditures for on-behalf payments.....	<u>(8,478,000)</u>
Net change in fund balance - GAAP basis.....	<u>\$ (10,265)</u>

**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 the 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.

Valuation date.....	June 30, 2021
Actuarial cost method.....	Entry Age Normal
Amortization method.....	Level Percentage of Payroll
Remaining amortization period.....	23 years from July 1, 2022
Asset valuation method.....	Fair Value
Investment rate of return.....	6.50%

Inflation.....	3.00%
Health care trend rates.....	Non-Medicare: 7.06% for 2 years, then 6.83%, then 6.59%, then 6.36%, then 6.00% decreasing by 0.25% for 6 years to an ultimate level of 4.50%. Medicare: 2.38%, then 4.49%, then 4.57%, then 4.66%, then 4.75%, then an ultimate rate 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 with Scale MP-2021
<i>Healthy Retiree (Non-Teachers)</i> .....	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021
<i>Disabled Retiree (Non- Teachers)</i> .....	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2021
<i>Pre-Retirement (Teachers)</i> .....	Pub-2010 Teacher Employee Headcount-weighted Mortality Table projected generationally with Scale MP-2020
<i>Healthy Retiree (Teachers)</i> .....	Pub-2010 Teacher Healthy Retiree Headcount-weighted Mortality Table projected generationally with Scale MP-2020
<i>Disabled Retiree (Teachers)</i> .....	Pub-2010 Teacher Healthy Retiree Headcount-weighted Mortality Table projected generationally with Scale MP-2020

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

The second-year trend rates were updated to reflect the known premium increases from fiscal year 2023 to 2024 and account for changes in the GIC plan offerings.

Changes in Plan Provisions

None.

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# *Other Supplementary Information*

# *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 Fund*** – accounts for various grants and legally restricted revenues for special programs administered by Town departments.
- ***Educational Grants Fund*** – accounts for all educational programs specially financed by grants and other restricted revenues.
- ***Educational Revolving Fund*** – accounts for educational programs financed by non-grant revenues and gifts.
- ***Expendable Governmental Trust*** – 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 Fund*** – accounts for funds used to support student extra-curricular student activities.

### ***Capital Project 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 fund is described as follows:

- ***Police Station Project*** – accounts for the funds received and expended in connection with the construction of the new police 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 Town's programs.

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

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

JUNE 30, 2023

	Special Revenue Funds						
	School Lunch	Ambulance	Departmental Grants/Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trust	Highway Improvement
<b>ASSETS</b>							
Cash and cash equivalents.....	\$ 480,248	\$ 1,644,644	\$ 8,439,862	\$ 915,319	\$ 2,043,665	\$ 3,925	\$ -
Investments.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Departmental and other.....	-	585,351	148,668	-	-	-	-
Intergovernmental.....	-	-	-	-	-	-	714,894
<b>TOTAL ASSETS.....</b>	<b>\$ 480,248</b>	<b>\$ 2,229,995</b>	<b>\$ 8,588,530</b>	<b>\$ 915,319</b>	<b>\$ 2,043,665</b>	<b>\$ 3,925</b>	<b>\$ 714,894</b>
<b>LIABILITIES</b>							
Warrants payable.....	\$ 2,314	\$ -	\$ 338,909	\$ 22,403	\$ 102,432	\$ -	\$ -
Due to other funds.....	-	-	-	-	-	-	509,787
Other liabilities.....	-	-	617,445	-	-	-	-
Unearned revenue.....	-	-	1,838,577	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>2,314</b>	<b>-</b>	<b>2,794,931</b>	<b>22,403</b>	<b>102,432</b>	<b>-</b>	<b>509,787</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue.....	-	585,351	-	-	-	-	205,107
<b>FUND BALANCES</b>							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	477,934	1,644,644	5,793,599	892,916	1,941,233	3,925	-
<b>TOTAL FUND BALANCES.....</b>	<b>477,934</b>	<b>1,644,644</b>	<b>5,793,599</b>	<b>892,916</b>	<b>1,941,233</b>	<b>3,925</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 480,248</b>	<b>\$ 2,229,995</b>	<b>\$ 8,588,530</b>	<b>\$ 915,319</b>	<b>\$ 2,043,665</b>	<b>\$ 3,925</b>	<b>\$ 714,894</b>

(Continued)



		Capital Project Fund		Permanent Funds			Total Nonmajor Governmental Funds
University Station	Student Activity	Subtotal	Police Station Project	Cemetery	Other Nonexpendable Trust Fund	Subtotal	
\$ 12,219	\$ 238,235	\$ 13,778,117	\$ 400,000	\$ 476,966	\$ 73,749	\$ 550,715	\$ 14,728,832
-	-	-	-	-	50,050	50,050	50,050
-	-	734,019	-	-	-	-	734,019
-	-	714,894	-	-	-	-	714,894
<u>\$ 12,219</u>	<u>\$ 238,235</u>	<u>\$ 15,227,030</u>	<u>\$ 400,000</u>	<u>\$ 476,966</u>	<u>\$ 123,799</u>	<u>\$ 600,765</u>	<u>\$ 16,227,795</u>
\$ -	\$ -	\$ 466,058	\$ -	\$ -	\$ 78	\$ 78	\$ 466,136
-	-	509,787	-	-	-	-	509,787
-	-	617,445	-	-	-	-	617,445
-	-	1,838,577	-	-	-	-	1,838,577
-	-	3,431,867	-	-	78	78	3,431,945
-	-	790,458	-	-	-	-	790,458
-	-	-	-	451,384	12,498	463,882	463,882
12,219	238,235	11,004,705	400,000	25,582	111,223	136,805	11,541,510
12,219	238,235	11,004,705	400,000	476,966	123,721	600,687	12,005,392
<u>\$ 12,219</u>	<u>\$ 238,235</u>	<u>\$ 15,227,030</u>	<u>\$ 400,000</u>	<u>\$ 476,966</u>	<u>\$ 123,799</u>	<u>\$ 600,765</u>	<u>\$ 16,227,795</u>

(Concluded)

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

YEAR ENDED JUNE 30, 2023

	Special Revenue Funds						
	School Lunch	Ambulance	Departmental Grants/Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trust	Highway Improvement
<b>REVENUES:</b>							
Charges for services.....	\$ 204,587	\$ 1,025,563	\$ 1,379,135	\$ -	\$ 3,005,393	\$ -	\$ -
Intergovernmental.....	1,077,502	-	1,856,967	2,999,395	-	-	509,788
Departmental and other.....	-	-	1,260,974	-	-	-	-
Contributions and donations.....	-	-	246,751	-	71,601	-	-
Investment income (loss).....	-	-	-	-	-	3	-
<b>TOTAL REVENUES.....</b>	<b>1,282,089</b>	<b>1,025,563</b>	<b>4,743,827</b>	<b>2,999,395</b>	<b>3,076,994</b>	<b>3</b>	<b>509,788</b>
<b>EXPENDITURES:</b>							
Current:							
General government.....	-	-	1,022,858	-	-	-	-
Public safety.....	-	-	107,252	-	-	-	-
Education.....	1,143,651	-	-	2,847,214	3,425,512	-	-
Public works.....	-	-	402,066	-	-	-	662,816
Human services.....	-	-	167,597	-	-	-	-
Culture and recreation.....	-	-	1,456,978	-	-	-	-
University station.....	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>1,143,651</b>	<b>-</b>	<b>3,156,751</b>	<b>2,847,214</b>	<b>3,425,512</b>	<b>-</b>	<b>662,816</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>138,438</b>	<b>1,025,563</b>	<b>1,587,076</b>	<b>152,181</b>	<b>(348,518)</b>	<b>3</b>	<b>(153,028)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in.....	-	-	300,000	-	-	-	-
Transfers out.....	-	(563,075)	(35,378)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>(563,075)</b>	<b>264,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>138,438</b>	<b>462,488</b>	<b>1,851,698</b>	<b>152,181</b>	<b>(348,518)</b>	<b>3</b>	<b>(153,028)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>339,496</b>	<b>1,182,156</b>	<b>3,941,901</b>	<b>740,735</b>	<b>2,289,751</b>	<b>3,922</b>	<b>153,028</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 477,934</b>	<b>\$ 1,644,644</b>	<b>\$ 5,793,599</b>	<b>\$ 892,916</b>	<b>\$ 1,941,233</b>	<b>\$ 3,925</b>	<b>\$ -</b>

(Continued)

		Capital Project Fund		Permanent Funds			Total Nonmajor Governmental Funds
University Station	Student Activity	Subtotal	Police Station Project	Cemetery	Other Nonexpendable Trust Fund	Subtotal	
\$ -	\$ -	\$ 5,614,678	\$ -	\$ -	\$ -	\$ -	\$ 5,614,678
-	-	6,443,652	-	-	-	-	6,443,652
125,153	308,240	1,694,367	-	-	-	-	1,694,367
-	-	318,352	-	14,880	-	14,880	333,232
-	-	3	-	6,478	6,287	12,765	12,768
<u>125,153</u>	<u>308,240</u>	<u>14,071,052</u>	<u>-</u>	<u>21,358</u>	<u>6,287</u>	<u>27,645</u>	<u>14,098,697</u>
-	-	1,022,858	-	-	-	-	1,022,858
-	-	107,252	-	-	-	-	107,252
-	257,553	7,673,930	-	-	-	-	7,673,930
-	-	1,064,882	-	-	-	-	1,064,882
-	-	167,597	-	-	-	-	167,597
-	-	1,456,978	-	-	369	369	1,457,347
<u>173,946</u>	<u>-</u>	<u>173,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,946</u>
<u>173,946</u>	<u>257,553</u>	<u>11,667,443</u>	<u>-</u>	<u>-</u>	<u>369</u>	<u>369</u>	<u>11,667,812</u>
<u>(48,793)</u>	<u>50,687</u>	<u>2,403,609</u>	<u>-</u>	<u>21,358</u>	<u>5,918</u>	<u>27,276</u>	<u>2,430,885</u>
-	-	300,000	-	-	-	-	300,000
-	-	(598,453)	-	-	-	-	(598,453)
-	-	(298,453)	-	-	-	-	(298,453)
<u>(48,793)</u>	<u>50,687</u>	<u>2,105,156</u>	<u>-</u>	<u>21,358</u>	<u>5,918</u>	<u>27,276</u>	<u>2,132,432</u>
<u>61,012</u>	<u>187,548</u>	<u>8,899,549</u>	<u>400,000</u>	<u>455,608</u>	<u>117,803</u>	<u>573,411</u>	<u>9,872,960</u>
<u>\$ 12,219</u>	<u>\$ 238,235</u>	<u>\$ 11,004,705</u>	<u>\$ 400,000</u>	<u>\$ 476,966</u>	<u>\$ 123,721</u>	<u>\$ 600,687</u>	<u>\$ 12,005,392</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*

Plans began in 2015 to encourage redevelopment of public and private properties in Westwood's Islington Center. Since then, deteriorating structures have been replaced with well-designed and architecturally complimentary buildings. These include a new fire station, increased affordable housing, and shops and restaurants. This remarkable blend of old and new has maintained the village appearance of the Center.

# *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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities:</b>										
Net invested in capital assets.....	\$ 95,611,881	\$ 97,303,917	\$ 94,483,050	\$ 92,145,970	\$ 93,029,094	\$ 91,036,787	\$ 88,081,335	\$ 87,804,709	\$ 87,427,026	\$ 97,907,275
Restricted.....	1,655,112	1,533,978	2,061,713	2,038,029	1,453,460	1,626,890	1,924,179	3,016,572	2,165,037	3,560,680
Unrestricted.....	<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>	<u>(33,763,204)</u>	<u>(23,294,088)</u>
<b>Total governmental activities net position.....</b>	<b><u>\$ 67,862,604</u></b>	<b><u>\$ 66,654,914</u></b>	<b><u>\$ 65,135,603</u></b>	<b><u>\$ 51,044,907</u></b>	<b><u>\$ 50,132,923</u></b>	<b><u>\$ 42,556,128</u></b>	<b><u>\$ 41,320,825</u></b>	<b><u>\$ 46,288,912</u></b>	<b><u>\$ 55,828,859</u></b>	<b><u>\$ 78,173,867</u></b>
<b>Business-type activities:</b>										
Net invested in capital assets.....	\$ 11,776,682	\$ 11,209,128	\$ 11,327,932	\$ 11,435,385	\$ 11,252,920	\$ 11,513,146	\$ 11,295,519	\$ 10,982,396	\$ 10,358,191	\$ 10,139,542
Unrestricted.....	<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>	<u>4,823,280</u>	<u>4,772,830</u>
<b>Total business-type activities net position.....</b>	<b><u>\$ 14,923,115</u></b>	<b><u>\$ 15,660,300</u></b>	<b><u>\$ 16,532,691</u></b>	<b><u>\$ 15,869,934</u></b>	<b><u>\$ 16,276,559</u></b>	<b><u>\$ 16,230,386</u></b>	<b><u>\$ 15,578,804</u></b>	<b><u>\$ 15,382,905</u></b>	<b><u>\$ 15,181,471</u></b>	<b><u>\$ 14,912,372</u></b>
<b>Primary government:</b>										
Net invested in capital assets.....	\$ 107,388,563	\$ 108,513,045	\$ 105,810,982	\$ 103,581,355	\$ 104,282,014	\$ 102,549,933	\$ 99,376,854	\$ 98,787,105	\$ 97,785,217	\$ 108,046,817
Restricted.....	1,655,112	1,533,978	2,061,713	2,038,029	1,453,460	1,626,890	1,924,179	3,016,572	2,165,037	3,560,680
Unrestricted.....	<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>	<u>(28,939,924)</u>	<u>(18,521,258)</u>
<b>Total primary government net position.....</b>	<b><u>\$ 82,785,719</u></b>	<b><u>\$ 82,315,214</u></b>	<b><u>\$ 81,668,294</u></b>	<b><u>\$ 66,914,841</u></b>	<b><u>\$ 66,409,482</u></b>	<b><u>\$ 58,786,514</u></b>	<b><u>\$ 56,899,629</u></b>	<b><u>\$ 61,671,817</u></b>	<b><u>\$ 71,010,330</u></b>	<b><u>\$ 93,086,239</u></b>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 4,630,834	\$ 4,662,820	\$ 5,921,843	\$ 5,617,221	\$ 6,307,003	\$ 7,226,614	\$ 8,070,974	\$ 7,552,228	\$ 5,860,736	\$ 7,121,511
Public safety.....	10,215,841	10,470,500	11,661,076	12,380,718	13,132,322	15,599,311	14,987,307	14,380,047	14,477,372	15,209,540
Education.....	58,068,384	59,970,747	64,002,507	69,129,730	70,725,736	74,680,317	76,622,782	75,698,158	70,503,133	77,421,649
Public works.....	8,697,469	9,028,119	9,033,773	9,387,133	9,633,100	10,038,445	10,304,186	11,816,463	11,734,488	12,278,591
Human services.....	1,138,997	1,228,151	1,426,588	1,428,184	1,830,094	1,903,840	1,828,397	1,675,406	1,748,163	2,015,222
Culture and recreation.....	3,394,657	3,308,166	4,307,074	3,725,614	3,741,088	4,339,903	4,525,874	3,638,879	4,168,664	5,237,394
University Station.....	1,947,259	1,651,889	2,932,353	507,970	474,479	304,915	239,892	212,018	180,015	225,238
Interest.....	1,137,383	1,060,200	1,259,517	1,614,895	1,329,268	1,283,331	1,117,897	1,594,774	816,924	3,510,507
Total government activities expenses.....	89,230,824	91,380,592	100,544,731	103,791,465	107,173,090	115,376,676	117,697,309	116,567,973	109,489,495	123,019,652
Business-type activities:										
Sewer.....	4,426,229	4,495,981	4,590,558	4,518,608	4,842,752	5,249,181	5,625,797	5,430,689	5,494,225	5,537,455
Total primary government expenses.....	\$ 93,657,053	\$ 95,876,573	\$ 105,135,289	\$ 108,310,073	\$ 112,015,842	\$ 120,625,857	\$ 123,323,106	\$ 121,998,662	\$ 114,983,720	\$ 128,557,107
<b>Program Revenues</b>										
Governmental activities:										
Education charges for services.....	\$ 2,463,005	\$ 2,453,507	\$ 2,568,453	\$ 2,793,990	\$ 2,559,813	\$ 2,692,200	\$ 2,372,469	\$ 1,417,544	\$ 3,626,790	\$ 3,650,594
Public Safety charges for services.....	1,370,625	1,641,691	1,953,758	2,059,156	2,004,219	1,780,120	2,096,754	2,206,283	2,350,338	3,329,592
Other charges for services.....	1,584,341	1,745,798	2,435,718	1,559,352	1,909,052	1,977,008	1,819,907	2,563,769	2,412,697	2,957,397
Operating grants and contributions.....	22,271,886	14,500,929	19,171,437	20,362,007	19,221,090	20,584,543	23,365,892	25,650,064	19,794,397	21,476,967
Capital grant and contributions.....	1,474,068	4,045,233	1,584,581	627,863	1,303,961	777,371	657,284	997,793	173,018	16,261,921
Total government activities program revenues.....	29,163,925	24,387,158	27,713,947	27,402,368	26,998,135	27,811,242	30,312,306	32,835,453	28,357,240	47,676,471
Business-type activities:										
Charges for services.....	3,731,776	5,175,034	4,978,724	4,672,765	5,224,029	5,110,982	4,975,780	5,224,007	4,911,277	5,243,836
Operating grants and contributions.....	32,115	30,832	25,910	20,883	10,451	5,108	-	-	-	-
Capital grant and contributions.....	41,516	27,300	458,315	26,485	14,897	86,918	31,978	10,783	381,514	24,520
Total business-type activities program revenues.....	3,805,407	5,233,166	5,462,949	4,720,133	5,249,377	5,203,008	5,007,758	5,234,790	5,292,791	5,268,356
Total primary government program revenues.....	\$ 32,969,332	\$ 29,620,324	\$ 33,176,896	\$ 32,122,501	\$ 32,247,512	\$ 33,014,250	\$ 35,320,064	\$ 38,070,243	\$ 33,650,031	\$ 52,944,827
<b>Net (Expense)/Program Revenue</b>										
Governmental activities.....	\$ (60,357,877)	\$ (67,284,412)	\$ (73,121,762)	\$ (76,680,075)	\$ (80,465,933)	\$ (87,565,434)	\$ (87,385,003)	\$ (83,732,520)	\$ (81,132,255)	\$ (75,343,181)
Business-type activities.....	(329,844)	1,028,163	1,163,369	442,503	697,603	(46,173)	(618,039)	(195,899)	(201,434)	(269,099)
Total primary government net (expense)/program revenue.....	\$ (60,687,721)	\$ (66,256,249)	\$ (71,958,393)	\$ (76,237,572)	\$ (79,768,330)	\$ (87,611,607)	\$ (88,003,042)	\$ (83,928,419)	\$ (81,333,689)	\$ (75,612,280)
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 59,098,869	\$ 61,772,952	\$ 67,327,061	\$ 70,239,637	\$ 73,504,082	\$ 76,292,441	\$ 80,276,498	\$ 82,534,629	\$ 85,435,223	\$ 89,889,023
Motor vehicle excise taxes.....	2,770,941	3,035,505	3,042,773	3,343,962	3,602,675	3,591,586	3,499,369	3,575,444	3,403,239	3,791,070
Hotel/motel taxes.....	-	-	-	-	129,991	330,547	298,323	114,368	268,776	359,399
Meals tax.....	-	-	-	-	370,332	449,058	396,905	336,809	462,051	526,245
Penalties and interest on taxes.....	118,681	172,557	187,078	147,442	244,435	207,880	89,232	125,581	337,546	186,332
Payment in lieu of taxes.....	-	-	-	-	300,000	-	-	-	-	-
Grants and contributions not restricted to specific programs.....	712,014	776,342	697,791	760,612	776,600	811,787	827,409	788,368	894,107	866,025
Unrestricted investment income (loss).....	25,929	28,388	56,770	119,027	334,856	405,203	443,658	122,353	(128,740)	2,070,095
Gain on sale of assets.....	-	-	-	-	-	399,698	165,550	1,103,055	-	-
Total primary government general revenues and other changes in net position.....	\$ 62,726,434	\$ 65,785,744	\$ 71,311,473	\$ 74,610,680	\$ 79,262,971	\$ 82,488,200	\$ 85,996,944	\$ 88,700,607	\$ 90,672,202	\$ 97,688,189
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 2,368,557	\$ (1,498,668)	\$ (1,810,289)	\$ (2,069,395)	\$ (911,984)	\$ (5,077,234)	\$ (1,388,059)	\$ 4,968,087	\$ 9,539,947	\$ 22,345,008
Business-type activities.....	(329,844)	1,028,163	1,163,369	442,503	406,625	(46,173)	(618,039)	(195,899)	(201,434)	(269,099)
Total primary government changes in net position.....	\$ 2,038,713	\$ (470,505)	\$ (646,920)	\$ (1,626,892)	\$ (505,359)	\$ (5,123,407)	\$ (2,006,098)	\$ 4,772,188	\$ 9,338,513	\$ 22,075,909

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>General Fund</b>										
Committed.....	\$ 5,431,729	\$ 6,069,333	\$ 4,617,755	\$ 4,717,312	\$ 4,792,739	\$ 5,709,499	\$ 6,088,582	\$ 7,106,685	\$ 9,374,472	\$ 6,014,767
Assigned.....	1,385,604	1,253,232	4,048,666	4,783,857	3,085,031	3,462,820	3,653,126	3,320,359	8,102,128	7,723,812
Unassigned.....	8,799,948	9,447,109	10,316,550	10,081,366	13,239,702	13,916,310	14,906,777	16,589,070	12,002,843	15,730,599
<b>Total general fund.....</b>	<b>\$ <u>15,617,281</u></b>	<b>\$ <u>16,769,674</u></b>	<b>\$ <u>18,982,971</u></b>	<b>\$ <u>19,582,535</u></b>	<b>\$ <u>21,117,472</u></b>	<b>\$ <u>23,088,629</u></b>	<b>\$ <u>24,648,485</u></b>	<b>\$ <u>27,016,114</u></b>	<b>\$ <u>29,479,443</u></b>	<b>\$ <u>29,469,178</u></b>
<b>All Other Governmental Funds</b>										
Nonspendable.....	\$ 349,547	\$ 361,891	\$ 409,600	\$ 429,400	\$ 457,240	\$ 456,400	\$ 465,760	\$ 435,922	\$ 449,002	\$ 463,882
Restricted.....	9,006,419	7,679,740	14,510,286	16,242,380	8,676,458	7,571,792	7,223,765	7,690,728	12,160,382	30,698,866
Unassigned.....	-	-	-	-	-	-	(739,989)	(2,734,290)	-	-
<b>Total all other governmental funds....</b>	<b>\$ <u>9,355,966</u></b>	<b>\$ <u>8,041,631</u></b>	<b>\$ <u>14,919,886</u></b>	<b>\$ <u>16,671,780</u></b>	<b>\$ <u>9,133,698</u></b>	<b>\$ <u>8,028,192</u></b>	<b>\$ <u>6,949,536</u></b>	<b>\$ <u>5,392,360</u></b>	<b>\$ <u>12,609,384</u></b>	<b>\$ <u>31,162,748</u></b>

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**

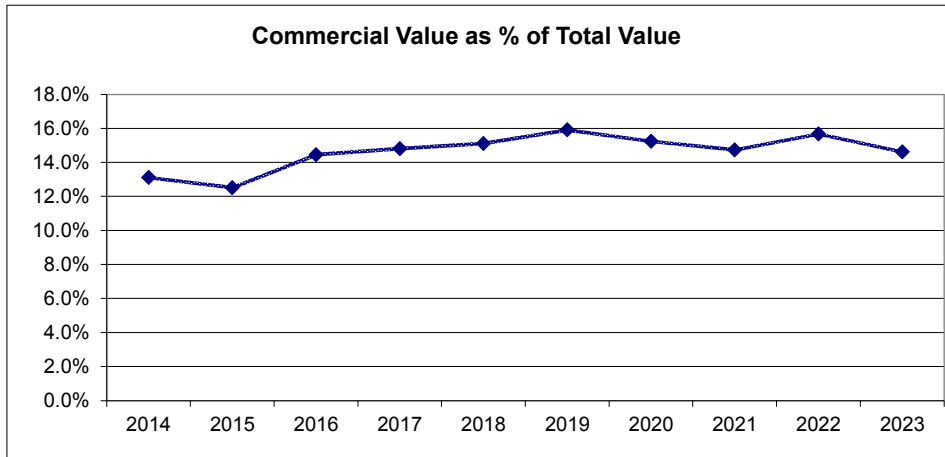
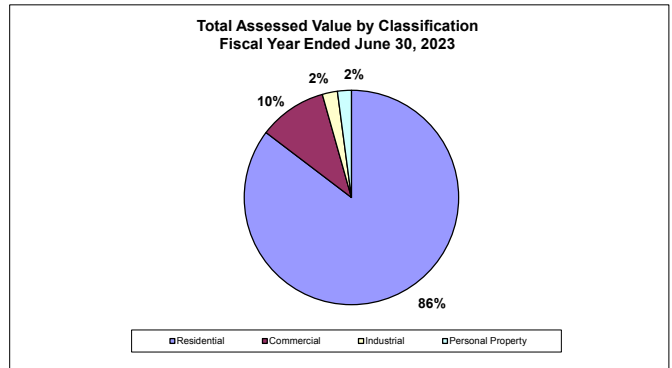
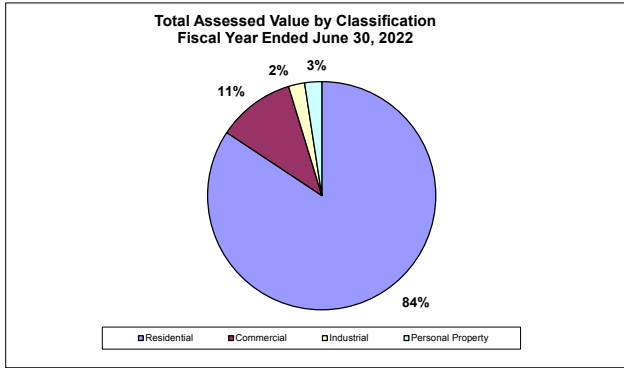
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 58,918,129	\$ 61,838,371	\$ 67,189,068	\$ 70,191,498	\$ 73,691,325	\$ 76,253,080	\$ 79,840,258	\$ 82,462,705	\$ 85,557,087	\$ 89,814,143
Motor vehicle excise taxes.....	2,844,489	3,057,593	3,077,485	3,300,479	3,624,505	3,675,896	3,368,740	3,648,226	3,398,761	3,727,446
Hotel/motel taxes.....	-	-	-	-	129,991	330,547	298,323	114,368	268,776	359,399
Meals tax.....	-	-	-	-	370,332	449,058	396,905	336,809	462,051	526,245
Charges for Service.....	4,774,815	4,951,197	4,896,303	5,008,558	5,706,541	6,062,185	5,106,771	3,700,761	5,698,067	5,987,495
University Station mitigation funds.....	4,400,000	-	486,453	-	-	-	-	-	-	-
University Station permits.....	925,000	905,000	440,650	-	-	-	-	-	-	-
Penalties and interest on taxes.....	118,681	172,557	187,078	147,442	244,435	207,880	89,232	125,581	337,546	186,332
Payment in lieu of taxes.....	-	-	-	-	300,000	-	-	-	-	-
Fees and rentals.....	341,562	379,437	541,579	761,054	-	-	-	-	-	-
Licenses and permits.....	643,568	771,232	1,053,310	1,007,288	1,026,968	871,559	1,045,662	1,103,258	1,193,704	2,060,183
Fines and forfeitures.....	18,587	32,464	26,246	25,354	25,344	23,122	18,051	2,664	4,656	4,010
Intergovernmental.....	16,395,623	18,010,694	18,941,829	21,183,833	20,563,904	21,278,583	24,627,572	28,147,923	21,991,309	32,805,764
Departmental and other.....	681,348	864,185	1,421,096	1,205,624	877,184	1,173,952	1,157,856	1,408,192	1,980,484	2,391,557
Departmental and other - University Station.....	1,437,838	532,664	1,461,119	-	-	-	-	-	-	-
Contributions and donations.....	782,122	266,436	364,845	496,847	437,797	579,393	293,991	230,018	277,591	333,232
Investment income (loss).....	34,965	104,459	104,459	127,060	173,297	405,203	443,658	122,353	(128,740)	2,070,096
<b>Total Revenue.....</b>	<b>92,316,727</b>	<b>91,886,289</b>	<b>100,191,520</b>	<b>103,455,037</b>	<b>107,171,623</b>	<b>111,310,458</b>	<b>116,687,019</b>	<b>121,402,858</b>	<b>121,041,292</b>	<b>140,265,902</b>
<b>Expenditures:</b>										
General government.....	3,164,539	3,089,254	4,253,587	3,994,717	4,037,486	4,562,056	3,331,376	5,286,916	3,554,265	1,750,934
Public safety.....	7,184,612	7,813,058	8,644,179	9,805,381	9,808,820	10,677,523	8,959,941	10,361,796	11,022,454	11,771,568
Education.....	41,863,435	43,665,556	46,408,907	48,670,252	50,412,988	52,317,861	52,640,431	50,745,458	56,551,794	61,218,622
Public works.....	4,816,935	5,534,486	4,570,811	5,269,963	5,961,918	5,466,495	9,743,545	7,945,379	7,845,389	9,250,149
University Station.....	1,947,259	1,651,889	3,598,262	507,970	474,479	304,915	239,892	212,018	180,015	225,238
Human services.....	812,061	934,962	1,077,496	1,126,850	1,319,569	1,253,553	1,202,900	1,160,455	1,300,406	1,579,490
Culture and recreation.....	2,220,899	2,222,748	3,141,592	2,622,118	2,528,690	2,806,483	2,737,567	2,420,556	2,937,764	3,986,954
Pension benefits.....	9,356,600	7,647,979	10,369,777	13,315,275	14,583,206	15,002,340	18,112,233	20,432,533	13,386,208	15,050,941
Property and liability insurance.....	290,897	401,257	351,987	387,101	399,502	364,146	448,086	559,380	590,724	590,724
Employee benefits.....	6,574,999	7,230,271	7,363,094	8,106,961	8,417,313	8,728,826	8,977,348	9,106,143	9,651,170	10,088,088
State and county charges.....	574,743	591,182	642,045	642,045	643,066	688,590	699,951	707,329	810,525	789,382
Capital outlay.....	5,813,248	7,600,649	10,582,910	15,353,111	8,512,568	2,533,638	3,526,718	9,788,329	9,083,558	55,601,794
Debt service:										
Principal.....	3,740,000	3,555,000	3,470,000	4,815,000	4,645,000	4,590,000	4,575,000	4,380,000	4,525,000	4,535,000
Principal - current refunding.....	-	-	-	-	-	-	-	349,359	-	-
Interest.....	1,236,197	1,146,459	1,276,338	1,641,193	1,721,141	1,547,979	1,359,279	1,568,479	1,161,234	1,283,919
<b>Total Expenditures.....</b>	<b>89,596,424</b>	<b>93,084,750</b>	<b>105,690,861</b>	<b>116,257,937</b>	<b>113,465,746</b>	<b>110,844,405</b>	<b>116,554,267</b>	<b>124,927,688</b>	<b>122,569,162</b>	<b>177,722,803</b>
Excess of revenues over (under) expenditures.....	2,720,303	(1,198,461)	(5,499,341)	(12,802,900)	(6,294,123)	466,053	132,752	(3,524,830)	(1,527,870)	(37,456,901)
<b>Other Financing Sources (Uses)</b>										
Issuance of debt.....	1,400,000	850,000	13,490,000	12,755,000	-	-	-	2,726,696	10,380,000	52,575,000
Issuance of debt refunding.....	-	-	-	-	-	-	-	4,988,304	-	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	949,958	-	-
Payments to refunded bond escrow agents.....	-	-	-	-	-	-	-	(5,938,262)	-	-
Premium from issuance of bonds and notes.....	-	-	809,915	948,380	-	-	30,145	505,532	828,223	3,425,000
Sale of assets.....	-	-	-	-	-	399,698	165,550	1,103,055	-	-
Capital lease financing.....	748,083	-	-	1,160,000	-	-	-	-	-	-
Transfers in.....	1,087,606	1,469,929	848,253	1,068,021	2,748,347	1,610,137	657,176	1,096,225	1,070,518	2,934,966
Transfers out.....	(796,628)	(1,178,951)	(557,275)	(777,043)	(2,457,369)	(1,610,137)	(657,176)	(1,096,225)	(1,070,518)	(2,934,966)
<b>Total other financing sources (uses).....</b>	<b>2,439,061</b>	<b>1,140,978</b>	<b>14,590,893</b>	<b>15,154,358</b>	<b>290,978</b>	<b>399,698</b>	<b>195,695</b>	<b>4,335,283</b>	<b>11,208,223</b>	<b>56,000,000</b>
<b>Net change in fund balance.....</b>	<b>\$ 5,159,364</b>	<b>\$ (57,483)</b>	<b>\$ 9,091,552</b>	<b>\$ 2,351,458</b>	<b>\$ (6,003,145)</b>	<b>\$ 865,751</b>	<b>\$ 328,447</b>	<b>\$ 810,453</b>	<b>\$ 9,680,353</b>	<b>\$ 18,543,099</b>
Debt service as a percentage of noncapital expenditures.....	5.94%	5.50%	4.99%	6.40%	6.07%	5.67%	5.25%	5.47%	5.01%	4.76%

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
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
2022	4,283,363,617	14.83	556,387,365	117,194,550	122,267,730	795,849,645	28.99	15.7%	17.05	5,079,213,262
2023	4,742,644,594	14.30	570,992,824	125,978,900	115,717,170	812,688,894	27.63	14.6%	16.25	5,555,333,488



Source: Assessor's Department, Town of Westwood  
 All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.  
 There are no overlapping rates imposed on the rate payers.

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	2023			2014		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
SVF University Westwood LLC	Retailer	\$ 130,863,150	1	4.0%	\$ -	-	-
Eversource Utility Company	Office	59,001,800	2	1.8%	-	-	-
Medical Information Tech Inc	Office Building/Medical Info	51,929,200	3	1.6%	46,641,150	2	2.2%
Westwood Gables LLC	Residential Community	102,645,100	4	1.6%	-	-	-
Fox Hill Village Homeowners	Residential Community	83,705,700	5	1.3%	77,559,350	4	2.1%
101 Station Drive Property LLC	Office	41,203,100	6	1.3%	-	-	-
AGNL Exercise LLC	Fitness Center	33,800,000	7	1.0%	-	-	-
AMR Real Estate Holdings	Auto Dealership	33,799,800	8	1.0%	-	-	-
University Station Phase 2 LLC	Office	28,631,150	9	0.9%	-	-	-
Target Corporation	Retailer	24,921,800	10	0.8%	-	-	-
Westwood Marketplace Holdings	Office Building/Warehouse	-	-	-	73,162,600	1	3.4%
Nstar Electric Company	Office Building	-	-	-	46,159,900	3	2.2%
GR-Highland/Westwood Glen LP	Residential Community	-	-	-	44,204,450	5	1.2%
L&B CIP 690 Canton St LLC	Office/Research & Development	-	-	-	17,522,300	6	0.8%
Metropolitan Life Insurance Co.	Office Building	-	-	-	15,537,750	7	0.8%
Fairlane Westwood LLC	Office Building	-	-	-	11,312,500	8	0.5%
346 University LLC	Office Building	-	-	-	9,737,100	9	0.5%
Perwal Associates LLC	Office Building/Financial Services	-	-	-	9,279,500	10	0.4%
<b>Totals</b>		<b>\$ 590,500,800</b>		<b>15.3%</b>	<b>\$ 351,116,600</b>		<b>14.1%</b>

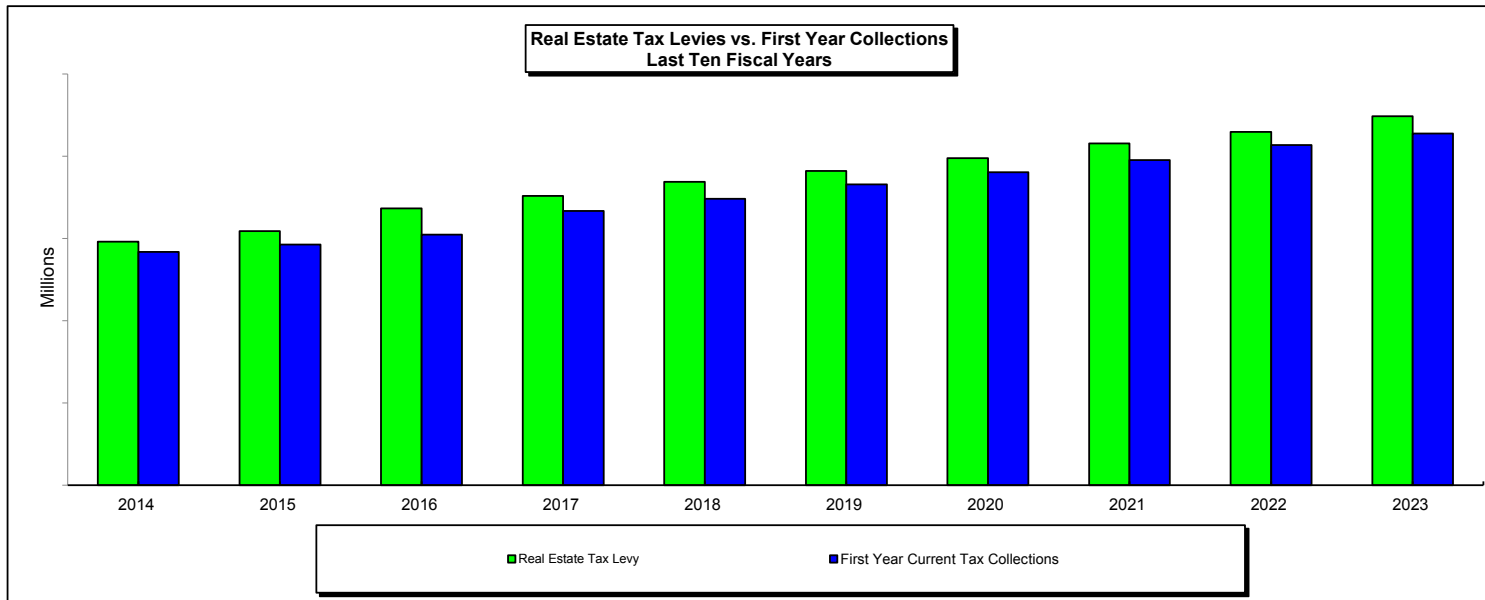
Source: Town of Westwood, Assessor Department

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
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	550,416	76,405,281	76,132,831	99.64%	270,505	76,403,336	100.00%
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	372,452	83,096,348	82,697,685	99.52%	398,932	83,096,617	100.00%
2022	86,593,841	678,885	85,914,956	85,507,617	99.53%	248,954	85,756,571	99.82%
2023	90,274,412	522,801	89,751,611	89,601,784	99.83%	-	89,601,784	99.83%



(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)	Leases	General Obligation Bonds (2)	Direct Borrowings Payable	Leases				
2014	\$ 34,801,249	\$ 579,212	\$ 2,534,300	\$ 127,380	\$ -	38,042,141	2.71%	14,618	\$ 2,602
2015	32,018,332	434,827	2,192,700	84,920	-	34,730,779	2.61%	14,876	2,335
2016	42,723,787	292,872	1,888,060	234,000	-	45,138,719	3.00%	14,809	3,048
2017	51,444,539	1,207,950	1,492,800	187,200	-	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	775,000	93,600	-	43,281,482	2.42%	15,597	2,775
2020	36,977,418	439,348	620,000	46,800	-	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
2022	41,610,035	-	310,000	125,000	-	42,045,035	1.83%	16,213	2,593
2023	92,555,566	-	155,000	112,500	-	92,823,066	3.34%	16,231	5,719

(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
2014	\$ 37,335,549	\$ -	\$ 37,335,549	1.07%	2,554
2015	34,211,032	-	34,211,032	0.93%	2,300
2016	44,611,847	-	44,611,847	1.10%	3,012
2017	52,937,339	-	52,937,339	1.25%	3,507
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
2022	41,920,035	-	41,920,035	0.83%	2,586
2023	92,710,566	-	92,710,566	1.67%	5,712

(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, 2023**

<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..... \$	15,315,000	3.050%	\$ 467,108
Direct debt:			
General Governmental Debt.....			92,555,566
Total direct and overlapping debt.....			\$ 93,022,674

(1) This is the general bonded debt of the governmental 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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Equalized Valuation.....	\$ 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	\$ 5,479,184,600	\$ 5,479,184,600
Debt Limit -5% of Equalized Valuation.....	\$ 184,903,570	\$ 184,903,570	\$ 217,116,735	\$ 217,116,735	\$ 235,697,080	\$ 235,697,080	\$ 260,706,915	\$ 260,706,915	\$ 273,959,230	\$ 273,959,230
Less:										
Outstanding debt applicable to limit.....	36,761,680	33,672,620	43,537,060	51,035,000	45,984,700	40,988,600	36,211,800	33,120,000	38,945,000	86,817,500
Authorized and unissued debt.....	-	9,600,000	13,205,000	450,000	5,700,000	6,600,000	11,575,000	9,010,000	86,068,591	29,918,591
Legal debt margin.....	<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>	<u>\$ 148,945,639</u>	<u>\$ 157,223,139</u>
Total debt applicable to the limit as a percentage of debt limit.....	19.88%	23.40%	26.13%	23.71%	21.93%	20.19%	18.33%	16.16%	45.63%	42.61%

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
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%
2022	16,213	2,299,797,837	141,849	43.9	2,894	2.6%
2023	16,231	2,776,653,401	171,071	43.9	2,890	2.4%

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	2023			2014		
		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	4.0%
Meditech, Inc	Healthcare Technology	250	5	1.9%	435	3	7.0%
Group One Automotive	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	17.0%
State Street Bank	Financial Services	-	-	-	700	2	11.0%
New York Life Insurance	Life Insurance	-	-	-	325	4	5.0%
Turnbine, Inc	Video Games	-	-	-	250	6	4.0%
ADE Corporation	Measurement Technology	-	-	-	200	7	3.0%
MIB	Medical Information	-	-	-	176	8	3.0%
Northrop Grumman	Military Electronics	-	-	-	150	9	2.0%
Clair Motors	Car Dealer	-	-	-	111	10	2.0%
<b>Total</b>		<b>3,075</b>		<b>23.4%</b>	<b>3,742</b>		<b>58.0%</b>

Source: Massachusetts Workplace Development

**Town of Westwood, Massachusetts**

**Full-time Equivalent Town Employees by Function**

**Last Ten Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function										
General government.....	21	22	23	26	26	26	32	32	33	34
Public safety.....	76	79	83	83	89	89	87	92	92	92
Education.....	501	515	536	559	584	570	521	538	577	571
Public works.....	29	29	29	30	31	31	33	33	33	34
Human services.....	9	10	9	9	9	10	7	7	7	7
Culture and recreation.....	13	13	13	13	13	13	13	14	17	16
<b>Total .....</b>	<b><u>649</u></b>	<b><u>668</u></b>	<b><u>693</u></b>	<b><u>720</u></b>	<b><u>752</u></b>	<b><u>739</u></b>	<b><u>693</u></b>	<b><u>716</u></b>	<b><u>759</u></b>	<b><u>754</u></b>

Source: Town Records

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

<b>Function/Program</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>General Government</b>										
Population.....	14,618	14,618	14,618	15,094	15,364	15,597	15,765	16,266	16,213	16,231
Registered Voters, Annual Town Election.....	10,639	10,511	10,777	10,687	10,708	11,084	11,043	11,492	11,443	12,013
<b>Town Clerk</b>										
Births.....	110	114	117	128	119	113	129	123	137	141
Marriages.....	66	73	63	56	47	64	55	111	71	72
Deaths.....	167	151	167	153	159	161	141	189	158	153
Dogs licensed.....	1,439	1,477	1,455	1,403	1,482	1,509	1,627	1,432	1,339	1,559
<b>Police</b>										
Documented calls for police services.....	15,819	17,669	28,404	30,947	26,837	24,449	31,439	33,488	36,642	36,642
Arrests.....	139	134	553	472	348	486	336	259	249	249
Traffic citations issued.....	1,729	1,694	3,259	2,897	1,828	3,138	3,096	2,325	2,670	2,670
Parking tickets issued.....	172	99	207	289	269	298	172	107	59	59
Burglary alarms.....	949	817	975	966	932	889	758	549	630	630
Total number of animal complaints.....	546	615	591	568	595	466	547	394	388	388
<b>Fire</b>										
Inspections.....	839	779	1,021	1,063	809	961	963	592	958	925
Plan reviews.....	106	142	156	151	117	138	219	100	157	136
Permits/certificates issued.....	566	609	654	741	638	253	302	114	296	-
Emergency responses.....	2,862	2,820	3,065	3,325	3,098	3,473	3,197	3,129	3,656	4,064
<b>Building Department</b>										
Permits issued.....	2,185	2,275	2,883	2,605	2,280	2,409	2,115	2,536	2,778	2,465
<b>Education</b>										
Public school enrollment.....	3,213	3,253	3,209	3,117	3,122	2,885	3,016	2,957	2,941	2,947
<b>Public Works</b>										
<b>Cemetery</b>										
Lots sold.....	31	35	35	48	55	50	40	38	52	54
Interments.....	74	71	71	73	66	62	68	77	86	86
Recycling/tons.....	1,764	1,841	1,841	1,887	1,789	1,741	1,738	1,642	1,777	1,682
Hazardous Waste Day Participants.....	140	195	266	114	110	166	121	135	179	110
<b>Human Services</b>										
<b>Board of Health</b>										
Permits issued.....	240	351	307	275	269	402	340	354	407	452
Inspections.....	210	298	183	228	198	255	106	164	218	290
<b>Council on Aging</b>										
Home delivered meals served.....	16,505	13,014	7,014	6,895	7,692	7,840	10,109	10,952	10,109	10,202
Medical-van trips.....	7,098	4,424	4,424	3,319	3,654	3,697	3,186	363	2,715	3,533
<b>Libraries</b>										
Volumes in collection.....	143,913	156,574	160,967	187,933	200,651	203,410	206,841	234,626	234,671	277,447
Circulation.....	267,582	262,598	228,204	274,486	277,870	272,625	216,190	176,616	251,890	203,072
Program attendance.....	9,783	9,762	10,671	14,900	15,670	17,184	11,166	7,695	9,237	14,176
<b>Youth &amp; Family Services</b>										
Misc resident clinical consultation hours.....	1,052	1,052	1,239	1,219	1,485	1,358	959	962	1,287	1,397
<b>Recreation</b>										
Participants.....	9,564	8,526	6,149	4,498	4,547	5,087	5,673	6,360	8,332	9,209
Special events participants.....	13,700	14,000	12,225	13,900	14,000	14,500	14,000	300	9,100	11,350
Pool admittance.....	-	15,426	16,577	15,157	12,747	12,874	10,032	9,508	12,692	13,973

NA: Information not available  
Note: 2023 information not available  
Source: Various Town Departments

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

<b><u>Function/Program</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
General Government										
Number of buildings.....	3	3	3	3	3	3	3	2	2	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  
Most recent data available

Municipality	Miles from Westwood	2020 U. S. Population	2022 EQV Per Capita	2020 Income Per Capita
Canton	8	24,370	260,594	\$64,467
Concord	24	18,491	403,522	\$166,197
Holliston	14	14,996	218,591	\$65,547
Medfield	6	12,799	251,195	\$108,657
Sharon	9	18,575	232,086	\$83,474
Sudbury	21	18,934	289,287	\$120,396
Wayland	17	13,943	320,684	\$177,727
Weston	15	11,854	616,578	\$430,522
<b>Westwood</b>		<b>16,266</b>	<b>337,950</b>	<b>\$133,029</b>

Fiscal Year 2023				
Municipality	Residential Tax Rate	Commercial Tax Rate	Tax Levy	Taxes As % of Total Revenue
Canton	10.57	21.57	91,210,271	78.48
Concord	12.96	12.96	104,788,383	81.75
Holliston	15.40	15.40	54,367,987	70.39
Medfield	15.43	15.43	53,481,479	71.40
Sharon	18.59	18.59	81,170,415	81.32
Sudbury	15.77	20.23	99,049,389	84.68
Wayland	16.65	16.65	80,213,213	82.25
Weston	11.84	11.84	90,747,247	87.48
<b>Westwood</b>	<b>14.30</b>	<b>27.63</b>	<b>90,274,412</b>	<b>83.61</b>

Municipality	Fiscal Year 2023			Fiscal Year 2022	Fiscal Year 2021	
	Average Single Family Tax Bill	State Hi-Lo Rank	Free Cash	Stabilization Fund	Moody's Bond Rating	S&P
Canton	\$7,687	94	\$8,962,315	\$10,026,966		AAA
Concord	\$17,481	7	\$8,190,415	\$2,159,933	Aaa	
Holliston	\$9,303	56	\$3,716,249	\$8,629,729		AAA
Medfield	\$12,958	21	\$4,010,325	\$2,390,291	Aa1	
Sharon	\$12,656	23	\$9,157,580	\$1,002,491	Aa3	AA
Sudbury	\$15,036	13	\$4,336,876	\$5,256,416		AAA
Wayland	\$15,958	11	\$7,739,163	\$4,660,373	Aaa	
Weston	\$23,893	1	\$7,095,199	\$3,284,762	Aaa	AAA
<b>Westwood</b>	<b>\$13,270</b>	<b>20</b>	<b>\$7,772,702</b>	<b>\$7,954,037</b>	<b>Aa1</b>	<b>AAA</b>

## Some Facts About Westwood

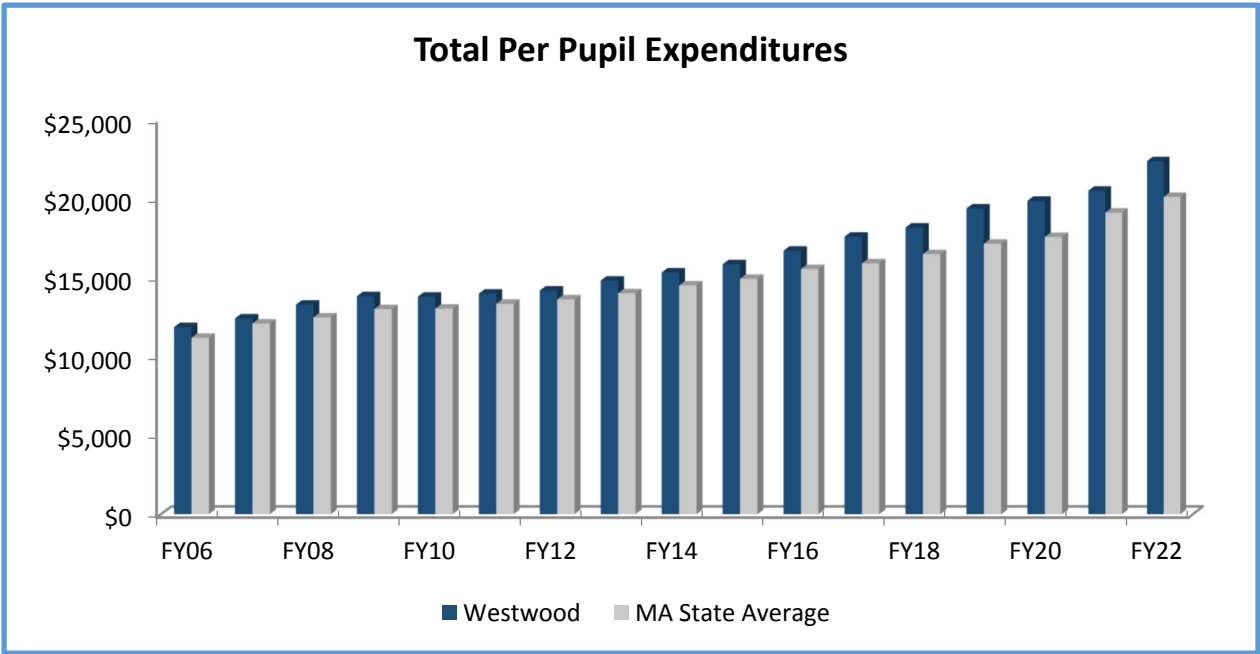
<b>Form of Government</b>	Select Board, Town Administrator, Open Town Meeting			
<b>Population Trends</b>	<b>2000</b>		<b>2022</b>	
	14,117		16,213	
<b>Registered Voters (2022)</b>	<b>Total</b>	<b>Democrats</b>	<b>Republicans</b>	<b>Unenrolled/Other</b>
	12,013	2,898	1,300	7,815

### Westwood Schools

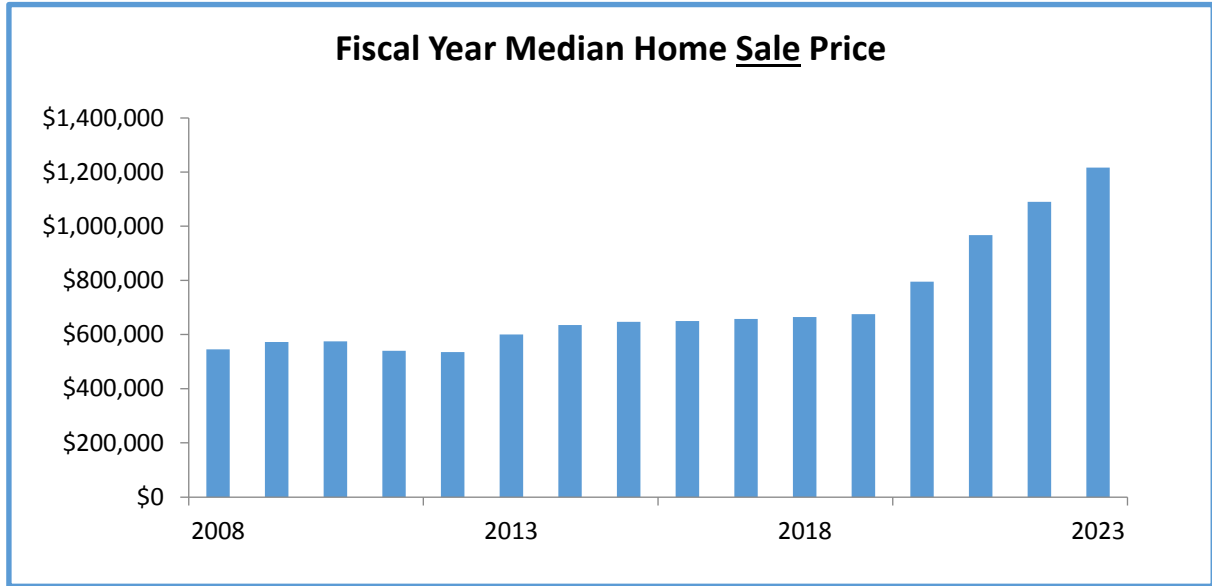


#### 2019 National Blue Ribbon Schools Program

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
- Calendar
- Community Resources Links
- Contact Us
- Employment Opportunities
- Forms, Documents, Minutes
- How Do I?
- New Residents
- News and Announcements
- Pay Online
- Photo Gallery
- Stay Connected
- Upcoming Events

Sources: MA Department of Revenue  
 MA Department of Education  
 Town Clerk – Town of Westwood  
 Board of Assessors – Town of Westwood