

Select Board Meeting

June 23, 2022

In attendance: David Dufresne, Chair; Rich Eichacker, Vice-chair; Derick Veliz, Clerk; James Ferrera, Town Administrator; Karen Dusty, Administrative Assistant

1. **Call Meeting to order** 6:01PM
2. **Pledge of Allegiance**
3. **Jim Giusti reports on the Audit:** Mr. Giusti introduced himself, and proceeded to give a report on his audit, explaining along the way what goes into the report and how well Tammy Martin was doing as the Town Accountant. He said that there was no finding that needed to be reporting. Please see attached report.
4. **Grip Host agreement:** After reading the letter from the attorney Brent J. Bass for Grip Cultivation LLC Mr. Eichacker made a motion to close the hearing without prejudice. Mr. Veliz 2<sup>nd</sup> AIF Passed Close the hearing for the Host Agreement.
5. **Community Development Block Grant authorization:** Mr. Ferrera stated that it would be more efficient if he was able to sign the Community Development Block Grant invoices. Mr. Eichacker made a motion to give Jim Ferrera permission to sign the Community Development Block Grant invoices. Mr. Veliz 2<sup>nd</sup> AIF Passed to make Jim Ferrera the signer for the invoices of the Community Development Block Grant.
6. **Warrants & Bills:**
  - a. Warrants: Mr. Eichacker made a motion to pay the following Warrants. After they were read Mr. Veliz 2<sup>nd</sup> AIF Passed Warrants were paid.

i. #105	Payroll	\$40,259.41
ii. #106	Vendor	\$64,848.63
  - b. Bills: Mr. Eichacker made a motion to pay the following Bills. After being read Mr. Veliz 2<sup>nd</sup> AIF Passed Pay the bills.

i. WB Mason	\$72.44
ii. Modern Pest	\$92.00
iii. National Grid	-\$455.66
iv. National Grid	\$8.04
7. **Minutes:** Mr. Eichacker made a motion to approve the minutes for June 16,2022 Mr. Veliz 2<sup>nd</sup> AIF Passed Accept the minutes.
8. **New Business:**
  - a. Food Truck: Mrs. Dusty let the board know that there was a gentleman wanting to have a food truck in town. The Board wanted more information about when, who and what they would serve.
  - b. Warren Water District Mandatory water use restriction 9:00am to 5:00PM. Mr. Dufresne wanted to let everyone know that both Water Districts have restrictions on water use.
  - c. Summer meeting schedule: Mr. Dufresne would like to have a meeting every other week depending on the need and who was going to be in town. Mr. Eichacker let the Board know that he was going to be gone on July 21<sup>st</sup>. Mr. Veliz was going to be gone on June 30<sup>th</sup>. Mr. Dufresne said that he wasn't going anywhere this summer. So, we will try have a meeting every other week.
9. **Old Business:**
  - a. Mr. Dufresne reported that we received the final Levee report and need to discuss that at a later meeting. Asked to put it on the July 7<sup>th</sup> meeting.
10. **Town Administrator Report:**

Select Board Meeting

June 23, 2022

- a. CPR First Aid training for the workers for the parks and recreation will be on June 28<sup>th</sup>.
- b. Visitor Code of conduct review of what was written. Mr. Eichacker added the word "language" to the 5<sup>th</sup> bullet of the document to cover foul or offensive language. Mr. Ferrera said that he would have the final next week for a vote to put it up in all municipal buildings.
- c. Assessor's job posted and maybe DOR has an intern that could come in and help until we find someone.
- d. Leslie Cook is going to the Town Clerk office
- e. Finance Committee is meeting on June 28<sup>th</sup>.
- f. Grants: he is working on Open Space and the EDA Master Plan. There is a startup meeting tomorrow at 10am with the EDA.
- g. Mr. Ferrera would like to implement a sign-in and sign-out for the employees so he can know who is in the building when asked by the public.

**11. Comments and Concerns:**

- a. Having the zoom link on the calendar part of the website so people don't have to go looking for it.

**12. Correspondence:**

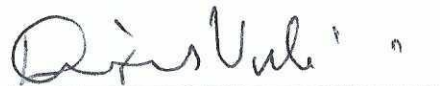
- a. Sandman Law: Mr. Dufresne stated that there is a class action lawsuit for a chemical called PFAS that is contaminating the water. The testing in Warren indicates that our water is fine. Information is attached.
- b. Central MA Regional Planning Commission Rural Caucus Meeting June 29 at 6:30PM
- c. Quaboag Regional School District Letter dated June 18, 2022, moved to discuss at a later meeting.

**13. Next Meeting Date: June 30, 2022, 6 PM**

**14. Adjourn:** Mr. Eichacker made a motion to adjourn Mr. Veliz 2<sup>nd</sup> AIF Adjourned 8:00PM

Respectively submitted by:

**Karen Dusty, Administrative Assistant**

  
\_\_\_\_\_  
**Derick Veliz, Clerk**



**James J. Giusti, CPA, P.C.**

*Certified Public Accountant*

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Georgetown, MA 01833

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JimGiustiCPA@gmail.com

May 31, 2022

Board of Selectmen  
Town of Warren  
48 High Street  
Warren, MA 01083

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Town of Warren, Massachusetts, as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Town of Warren's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Warren's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Warren's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

We do not consider the following matters to be significant deficiencies or material weaknesses. However, they are matters we want to communicate to you.

**Single Audit Act and Uniform Guidance**

Because the Town did receive \$750,000 in Federal Funds, during the fiscal year ended June 30, 2021, the requirements relating to the Single Audit Act were in effect. The Single Audit Act states that if an entity expends more than \$750,000 during a fiscal year, an audit needs to be performed in accordance with the Single Audit Act requirements.

Several years ago, the OMB published its comprehensive overhaul of federal grant administrative, cost accounting, and audit policies in the Federal Register. This final guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), supersedes and combines the requirements of eight existing OMB Circulars (A-21, A-50, A-87, A-89, A-102, A-110, A-122 and A-133). The Uniform Guidance significantly reformed federal grant making to focus resources on improving performance and outcomes with the intent to reduce administrative burdens for grant applicants and recipients and reduce the risk of waste, fraud, and abuse.

The Uniform Guidance is a substantial document that addresses (among many other topics) cost principles, internal controls, procurement requirements and audit requirements.

In regard to procurement, it should be noted that the Uniform Guidance and the State's requirements under MGL Chapter 30B, have some differences. For example, Chapter 30B does not require quotes until the \$10,000 threshold is met and Bids/Request for Proposal must be obtained for purchases of \$50,000 or more. The Uniform Guidance rules should be read to determine what the differences are. The Uniform Guidance requirements pertain only to purchases made with federal funds.

Another important area that the Uniform Guidance addresses, relates to the requirement that the internal control policies and procedures relating to federal funds must be documented and it must be in writing. The Town has prepared an internal control document relating to federal funds.

We recommend that the Town review the requirements relating to the Uniform Guidance each year, to be sure to be in compliance with the rules. It is also important that the Town review the internal control document every year to implement any changes to procedures and to be sure current requirements are addressed.

### **Preparation of the Schedule of Expenditures of Federal Award Programs**

During a fiscal year when the Town expends more than \$750,000 in federal funds, it is subject to Single Audit requirements established by the Office of Management and Budget (OMB) and it must be in compliance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). As part of those requirements, the Town is required to prepare a Schedule of Expenditures of Federal Award Programs (SEFA). To meet this reporting requirement, the following information is necessary:

- Detailed information on all Federal Awards received. This includes Federal Awards received that have been passed through the State or other governing bodies.
- The Agency in which the funds were received from.
- The Catalog of Federal Domestic Assistance number (CFDA #) for each grant.
- The amount of funds expended in the fiscal year under audit.
- The pass-through entity identifying number and the grant year in which the federal expenditures relate, if the funds were passed through another governing body and not directly received from the Federal government.
- The amount passed through to any sub-recipients, if applicable.

It is important that the Town have procedures in place to compile this data so that an error or omission in the Schedule of Expenditures of Federal Awards does not occur. We will be available to help the Town in preparing this schedule.

### **Accounting Internal Controls - Recording, Reporting and Reconciliation Procedures**

The Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants (AICPA), require that governmental accounting and auditing follow governmental standards. It is important that internal accounting control procedures be in place by the government, and these internal controls must be reviewed during an audit.



During our review of the internal accounting control policies and procedures being followed by the Town Treasurer, relating to cash reconciliation, for the fiscal year ended June 30, 2021, we found that good internal controls are in place and that proper procedures are being followed, by the Treasurer, in reconciling from the Treasurer's Cash Book to the actual bank statement balances each month.

During our review of the cash reconciliation work, being performed by the Town Accountant, we also found good internal controls in place and proper procedures being followed, relating to reconciling the general ledger cash account balances to the Treasurer's cash account balances, in a timely manner each month. We also found proper procedures being performed in the Town Accountant's office and Treasurer's Office, relating to recording, reporting, and reconciling revenues, expenditures, and all related accounting transactions. During our review of the procedures being followed in the Tax Collector office, we also found good internal controls in place and proper procedures being followed, relating to recording, reporting, and reconciling the accounts receivable accounts. Also, the Tax Collector, Town Accountant and Treasurer have good procedures in place in performing inter office reconciliation work relating to the accounts receivable balances.

Overall, during our review, we found that the three offices of Town Treasurer, Town Accountant and Tax Collector, have done a very good job in establishing internal accounting control policies and procedures. In addition, they are doing a very good job of performing the required recording, reporting and reconciliation work.

During our review, we did notice that the required accounting journal entries relating to fixed asset acquisitions and depreciation, were inadvertently not recorded by the Town Accountant. During our next audit, we will review these accounting entries with the Town Accountant, to be sure they are recorded in the accounting general ledger for June 30, 2022.

### **Implementation of New GASB Pronouncements**

#### **Current Year Implementations –**

In January 2017, the GASB issued GASB Statement No. 84, Fiduciary Activities. The objective of the Statement was to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. As amended, the provisions of this Statement became effective for financial reporting periods beginning after December 15, 2019 (fiscal year 2021). The adoption of this standard did not have an impact on the Town's financial statements.

In August 2018, the GASB issued GASB Statement No. 90, Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61. The objective of this Statement was to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. As amended, the provisions of this Statement became effective for financial reporting periods beginning after December 15, 2019 (fiscal year 2021). The adoption of this standard did not have an impact on the Town's financial statements.

In March 2020, the GASB issued GASB Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement was to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. This Statement eliminates the use of LIBOR as an appropriate benchmark interest rate for derivative instruments that hedge interest rate risk of taxable debt for reporting periods after December 31, 2021. The reporting provisions of this Statement are effective for financial reporting periods beginning after June 15, 2020 (fiscal year 2021). The adoption of this standard did not have an impact on the Town's financial statements.



Future Year Implementations -

In June 2017, the GASB issued GASB Statement No. 87, Leases. This Statement redefines the manner in which long-term leases are accounted and reported. As amended, the provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2018, the GASB issued GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. This statement establishes accounting requirements for interest costs incurred before the end of a construction period. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2020 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2019, the GASB issued GASB Statement No. 91, Conduit Debt Obligations. The objective of this Statement is to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issued related to public-private and public-public partnership arrangements. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The objective of this Statement is to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The objective of this Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

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

\* \* \* \* \*



This communication is intended solely for the information and use of management, and those charged with governance and others within the organization, and is not intended to be and should not be used by anyone other than those specified parties.

After you have had an opportunity to consider our comments and recommendations, we shall be pleased to discuss them further with you. We would like to thank you for the cooperation and courtesy extended to us during the course of the engagement.

Sincerely,

*James J. Giusti*

James J. Giusti  
Certified Public Accountants

**TOWN OF WARREN, MASSACHUSETTS**

**Financial Statements**

**June 30, 2021**

**(With Accountants' Report Thereon)**

36 Jackman St., Unit 1	*	<b>James J. Giusti, CPA, P.C.</b> <b>Certified Public Accountants</b> <b>Georgetown, MA 01833</b>	*	<b>(Tel) 978-352-7470</b>
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## INDEPENDENT AUDITORS REPORT

Board of Selectmen  
Town of Warren  
48 High Street  
Warren, MA 01083

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Warren, Massachusetts as of and for the year ended June 30, 2021, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Warren, Massachusetts' management. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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 Warren, Massachusetts as of June 30, 2021 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements Cost Principles and Audit Requirements of Federal Awards*.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2022, on our consideration of the Town of Warren, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Town of Warren, Massachusetts' internal control over financial reporting and compliance.

*James J. Giusti*

James J. Giusti  
Certified Public Accountants  
Georgetown, Massachusetts  
May 23, 2022



**Town of Warren, Massachusetts**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**June 30, 2021**

As management of the Town of Warren, Massachusetts, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Warren, Massachusetts for the fiscal year ended June 30, 2021.

### **Financial Statements**

The Town of Warren, Massachusetts has implemented GASB 34 (Governmental Accounting Standards Board Statement number 34). This statement requires all governments to account for and report capital assets in its Financial Statements. In addition, GASB 34 establishes new criteria regarding the form and content of governmental financial statements. Please refer to the **Table of Contents** at the beginning of these Financial Statements for a summary of where the information explained here is presented in these Financial Statements.

Before the implementation of GASB 34, the financial statements were called **General Purpose Financial Statements (GPFS)**. Under the new GASB 34 reporting model, the **GPFS** have been eliminated and replaced by "**Fund Financial Statements**". These **Fund Financial Statements** are similar to the **GPFS**, but are presented in a more consolidated manner.

One of the biggest changes created by the GASB 34 Reporting Model relates to the addition of two new financial statements. These financial statements are called **Government-wide Financial Statements**. The first statement is called the **Statement of Net Position** and the second one is called the **Statement of Activities**. An explanation of these **Government-wide Financial Statements** is provided below and additional information about them can be found in the "**Notes to the Financial Statements**".

### **Financial Highlights**

- The assets and deferred outflows of the Town of Warren, Massachusetts exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$9,736,087 (*net position*).
- The Town's total General Fund, Fund Balance, as of June 30, 2021, is \$3,775,890. This balance represents an increase of \$1,315,477 from June 30, 2020. The June 30, 2021 fund balance, represents 45% of the total current year general fund expenditures. The general fund, fund balance includes the Town's Stabilization Fund Balance (fair market value of \$1,628,759 as of June 30, 2021) which is reported as a component of the general fund in accordance with GASB 34.
- As shown in the Government Wide financial statements, the Town's current net position relating to Governmental Activities increased by \$605,017. Also, the net position relating to Business Type Activities decreased by (\$158,893).
- In fiscal year 2018, the Town implemented Governmental Accounting Standards Board Statement # 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The new standard requires reporting the entire total OPEB liability. Previous standards required reporting the liability over a thirty year "phase in" period. The resulting calculation was reported as the Net OPEB Obligation.

## Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction of the Town of Warren, Massachusetts' basic financial statements. The Town of Warren, Massachusetts' basic financial statements consist of the following: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The *statement of net position* presents information on all of the Town of Warren, Massachusetts' assets and liabilities, with the differences 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 Warren, Massachusetts is improving or deteriorating.

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

The government-wide financial statements have separate columns for governmental activities and business-type activities. The Town's activities are classified as follows:

- **Governmental Activities** – Activities reported here include education, public safety, public works, library and general administration. Property taxes, motor vehicle excise taxes, federal, state and other local revenues finance these activities.
- **Business-type Activities** - Amounts reported here are for sewer services and landfill activities. User fees charged to the customers receiving services finance these activities.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Warren, Massachusetts, 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 Warren, Massachusetts can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

**Proprietary funds.** The Town of Warren, Massachusetts maintains one proprietary fund type. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Warren, Massachusetts uses enterprise funds to account for its sewer operation and for landfill activities.



Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer and landfill 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 statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

## **Notes to the Financial Statements**

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

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town of Warren, Massachusetts' progress in funding its obligation to provide pension and OPEB benefits to its employees. The *required supplementary information* also includes budget versus actual information.

## **Reconciliation of Government-wide Financial Statements to Fund Financial Statements**

The governmental activities of the government-wide financial statements and the governmental funds of the fund financial statements do not use the same accounting basis and measurement focus. Capital assets and long-term liabilities are not included on the balance sheet of the governmental funds, but are included on the statement of net position. Capital assets are recorded as expenditures when they are purchased in the governmental funds and depreciated over the useful life in the government-wide financial statements. We have included schedules that provide a crosswalk from the government-wide financial statements to the governmental funds of the fund financial statements:

- Reconciliation of the Governmental funds balance sheet – total fund balances to the statement of net position.
- Reconciliation of the statement of revenues and expenditures and changes in fund balance of governmental funds to the statement of activities.

The reconciliation of government-wide financial statements to enterprise funds of the fund financial statements is not necessary. The business-type activities of the government-wide financial statements and the enterprise funds use the same accounting basis and measurement focus.

## **Financial Analysis of the Government-wide Financial Statements**

### **Net Position**

Net position may serve over time as a useful indicator of a government's financial position. However, the net position of governmental activities should be viewed independently from business-type activities.

Revenues of the business-type activities are used to finance the operations of the Sewer Enterprise Fund and landfill fund. The following table reflects the condensed net position.



**Net Position**  
**June 30, 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$ 6,944,757	\$ 5,945,068	\$ 1,159,818	\$ 1,215,015	\$ 8,104,575	\$ 7,160,083
Capital Assets	10,417,842	10,565,985	4,031,691	4,157,841	14,449,533	14,723,826
Total Assets	17,362,599	16,511,053	5,191,509	5,372,856	22,554,108	21,883,909
Deferred Outflow of Resources						
Pension and OPEB	651,817	734,176	38,036	45,337	689,853	779,513
Total Deferred Outflow of Resources	651,817	734,176	38,036	45,337	689,853	779,513
Current Liabilities	566,995	598,391	46,227	23,066	613,222	621,457
Long Term Liabilities	9,780,677	9,659,959	1,649,122	1,671,383	11,429,799	11,331,342
Total Liabilities	10,347,672	10,258,350	1,695,349	1,694,449	12,043,021	11,952,799
Deferred Inflow of Resources						
Pension and OPEB	1,460,466	1,385,618	27,086	35,042	1,487,552	1,420,660
Total Deferred Inflow of Resources	1,460,466	1,385,618	27,086	35,042	1,487,552	1,420,660
Net Position:						
Net Investment in Capital Assets	9,009,917	9,128,058	3,115,472	3,219,987	12,125,389	12,348,045
Restricted	1,436,854	1,323,329	40,688	40,636	1,477,542	1,363,965
Unrestricted (Deficit)	(4,240,493)	(4,850,126)	373,649	428,079	(3,866,844)	(4,422,047)
Total Net Position	\$ 6,206,278	\$ 5,601,261	\$ 3,529,809	\$ 3,688,702	\$ 9,736,087	\$ 9,289,963

The net position of the Town increased by \$446,124 (including prior period adjustments).

**Changes in Net Position**

The following condensed financial information was derived from the government-wide Statement of Activities. It reflects how the Town's net position has changed during the fiscal year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 515,422	\$ 438,168	\$ 571,228	\$ 589,643	\$ 1,086,650	\$ 1,027,811
Operating Grants and Contributions	1,865,643	705,939	1,951	5,819	1,867,594	711,758
Capital Grants and Contributions	33,268	79,363	-	-	33,268	79,363
General Revenues:						
Property Taxes	6,915,024	7,049,662	-	-	6,915,024	7,049,662
Motor Vehicle and Other Excises	597,444	554,769	-	-	597,444	554,769
Intergovernmental Not Restricted to						
a Specific Program	985,099	935,340	-	-	985,099	935,340
Other	250,449	290,668	-	-	250,449	290,668
Total Revenues	11,162,349	10,053,909	573,179	595,462	11,735,528	10,649,371

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Expenses</b>						
General Government	691,616	792,397	-	-	691,616	792,397
Public Safety	1,504,025	1,921,158	-	-	1,504,025	1,921,158
Education	4,114,858	4,208,636	-	-	4,114,858	4,208,636
Intergovernmental	24,144	27,993	-	-	24,144	27,993
Highways and Public Works	2,469,389	1,219,415	-	-	2,469,389	1,219,415
Human Services	226,595	234,376	-	-	226,595	234,376
Culture and Recreation	255,387	248,035	-	-	255,387	248,035
Employee Benefits	1,310,148	1,383,002	-	-	1,310,148	1,383,002
Debt Service	80,674	420,907	-	-	80,674	420,907
<b>Changes in Net Position (Continued)</b>						
Sewer	-	-	590,482	218,791	590,482	218,791
Landfill	-	-	22,086	128,671	22,086	128,671
<b>Total Expenses</b>	<u>10,676,836</u>	<u>10,455,919</u>	<u>612,568</u>	<u>347,462</u>	<u>11,289,404</u>	<u>10,803,381</u>
Increase (Decrease) in Net Position						
Before Special Items and Transfers	485,513	(402,010)	(39,389)	248,000	446,124	(154,010)
Special Items and Transfers	119,504	390,238	(119,504)	(402,074)	-	(11,836)
Increase (Decrease) in Net Position	<u>\$ 605,017</u>	<u>\$ (11,772)</u>	<u>\$ (158,893)</u>	<u>\$ (154,074)</u>	<u>\$ 446,124</u>	<u>\$ (165,846)</u>

#### **Governmental Activities**

In fiscal year 2021, property taxes accounted for approximately 62 % of the revenues.

#### **Business-type Activities**

Sewer rates are structured to cover all costs related to each activity.

### **Financial Analysis of the Town's Funds**

#### **Governmental Funds**

The focus of the Town of Warren, Massachusetts' 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 Warren, Massachusetts' financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town of Warren, Massachusetts itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town of Warren, Massachusetts' Selectmen.

**General Fund** – Based upon the balance sheet as of the close of each fiscal year, the Commonwealth of Massachusetts' Department of Revenue (DOR) determines the amount of general fund balance available for appropriation. In general, this amount (commonly known as "free cash") is generated when actual revenues on a cash basis exceed budgeted amounts and expenditures and encumbrances (unpaid commitments) are less than appropriations, or both.

GASB 54 was implemented during a prior fiscal year, as a result, the account titles of the Component of Fund Balance have changed, as noted below. In addition, in accordance with the GASB 54 requirements, the stabilization fund (fair market value of \$1,628,759 as of June 30, 2021) is now reported as a component of the General Fund.

The following table reflects the trend in all the components of fund balance and free cash for the previous several fiscal years.

**Changes in Fund Balance and Free Cash  
General Fund**

<u>Fiscal Year</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total Fund Balance</u>	<u>Free Cash</u>
2015	\$ -	\$ -	\$ 197,057	\$ 1,752,412	\$ 1,949,469	\$ 283,109
2016	-	-	208,019	1,883,971	2,091,990	382,722
2017	-	-	126,501	1,978,566	2,105,067	383,638
2018	-	-	352,734	2,064,002	2,416,736	493,233
2019	-	-	297,342	2,175,075	2,472,417	513,539
2020	-	-	341,638	2,118,775	2,460,413	242,931
2021	-	-	591,948	3,183,942	3,775,890	1,383,221

**Proprietary Funds**

The Town of Warren, Massachusetts' proprietary funds provides the same type of information found in the government-wide financial statements, but in more detail.

**General Fund Budgetary Highlights**

The differences between the original budget and the final amended budget was due primarily to Special Town Meetings that were held by the Town. At the Town meetings, free cash and other available funds were appropriated.

Conservative budget estimates allowed the Town to experience favorable operating results for both revenues and expenditures.

**Capital Asset and Debt Administration**

**Capital assets.** The Town of Warren, Massachusetts' investment in capital assets for its governmental and business type activities as of June 30, 2021, amounts to \$14,449,533 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, equipment and vehicles.

**Capital Assets  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 6,816,753	\$ 6,816,753	\$ 235,750	\$ 235,750	\$ 7,052,503	\$ 7,052,503
Buildings	1,947,348	2,000,940	1,078,544	1,130,952	3,025,892	3,131,892
Infrastructure	559,450	579,452	2,641,280	2,701,432	3,200,730	3,280,884
Equipment	1,094,291	1,168,840	76,117	89,708	1,170,408	1,258,548
Total	<u>\$ 10,417,842</u>	<u>\$ 10,565,985</u>	<u>\$ 4,031,691</u>	<u>\$ 4,157,842</u>	<u>\$ 14,449,533</u>	<u>\$ 14,723,827</u>



## Debt

The Town had \$2,324,144 in bonds outstanding on June 30, 2021. The total long term debt decreased by \$52,355 during the current year.

The Town's bond rating by Moody's Investor Services is A1.

<b>Governmental Activities</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
General Obligation Bonds Payable	<u>\$ 1,407,925</u>	<u>\$ 1,437,927</u>
<b>Business-type Activities</b>		
Sewer	<u>916,219</u>	<u>938,572</u>
Total Debt	<u><u>\$ 2,324,144</u></u>	<u><u>\$ 2,376,499</u></u>

## Fiscal Year 2021 Budget

An initiative state statute, commonly known as "Proposition 2 ½", limits the amount of property taxes that a Town can assess in any one year. In general, the Town's property tax levy may increase by 2 ½ percent over the prior year's allowable tax levy, plus any additional amount derived by new developments or other changes made to existing property. If a community wishes to levy taxes above the limitations imposed by "Proposition 2 ½", it is necessary to obtain the approval of a majority of the voters at an election. The Town used general fund unreserved fund balance and other reserves to help fund the 2021 budget.

## Request for Information

This financial report is designed to provide a general overview of the Town of Warren, Massachusetts's finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Warren  
Finance Department  
48 High Street  
Warren, MA 01083

Town of Warren, Massachusetts  
Statement of Net Position  
June 30, 2021  
(Continued on Page 11)

	Governmental Activities	Business - Type Activities	Government- Wide Total
<b>Assets</b>			
Current:			
Cash/Investments	\$ 4,912,783	\$ 902,890	\$ 5,815,673
Receivables:			
Property Taxes	343,375	-	343,375
Tax Liens	537,854	103,861	641,715
Other	22,491	-	22,491
Excises	244,036	-	244,036
Departmental	264,696	-	264,696
User Charges	-	153,067	153,067
Intergovernmental	619,522	-	619,522
Noncurrent:			
Capital Assets:			
Assets Not Being Depreciated	6,816,753	235,750	7,052,503
Assets Being Depreciated, Net	3,601,089	3,795,941	7,397,030
Total Assets	17,362,599	5,191,509	22,554,108
Deferred Outflow of Resources			
Pension	483,658	-	483,658
OPEB	168,159	38,036	206,195
Total Deferred Outflow of Resources	651,817	38,036	689,853
Total Assets and Deferred Outflow of Resources	18,014,416	5,229,545	23,243,961
<b>Liabilities</b>			
Current:			
Warrants Payable	-	22,699	22,699
Employees' Withholding Payable	67,881	-	67,881
Other Liabilities	25,377	-	25,377
Guarantee Deposits	341,680	-	341,680
Accrued Interest	50,817	829	51,646
Bonds Payable	31,240	22,699	53,939
Bond Anticipation Notes Payable	50,000	-	50,000
Noncurrent:			
Bonds Payable	1,376,685	893,520	2,270,205
Net Pension Liability	5,317,720	-	5,317,720
OPEB Liability	3,017,474	394,504	3,411,978
Compensated Absences	68,798	4,098	72,896
Landfill Post Closure Accrued Liability	-	357,000	357,000
Total Liabilities	10,347,672	1,695,349	12,043,021
Deferred Inflow of Resources			
Pension	707,195	-	707,195
OPEB	753,271	27,086	780,357
Total Deferred Inflow of Resources	1,460,466	27,086	1,487,552
Total Liabilities and Deferred Inflow of Resources	11,808,138	1,722,435	13,530,573

The Notes to the Financial Statements  
are an Integral Part of this Exhibit

Town of Warren, Massachusetts  
Statement of Net Position  
June 30, 2021  
(Continued from Page 10)

	Governmental <u>Activities</u>	Business - Type <u>Activities</u>	Government- Wide <u>Total</u>
<b>Net Position</b>			
Net Investment in Capital Assets	9,009,917	3,115,472	12,125,389
Restricted for:			
Capital Projects	-	38,383	38,383
Betterment Trust	-	2,305	2,305
Special Revenue	990,739	-	990,739
Perpetual Funds:			
Expendable	125,381	-	125,381
Nonexpendable	320,734	-	320,734
Unrestricted (Deficit)	<u>(4,240,493)</u>	<u>373,649</u>	<u>(3,866,844)</u>
 Total Net Position	 <u>\$ 6,206,278</u>	 <u>\$ 3,529,809</u>	 <u>\$ 9,736,087</u>

The Notes to the Financial Statements  
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Statement of Activities  
Fiscal Year Ended June 30, 2021

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<i>Governmental Activities:</i>							
General Government	\$ 691,616	\$ 48,294	\$ 7,210	\$ -	\$ (636,112)	\$ -	\$ (636,112)
Public Safety	1,504,025	361,349	68,239	-	(1,074,437)	-	(1,074,437)
Education	4,114,858	20,249	6,024	-	(4,088,585)	-	(4,088,585)
Intergovernmental	24,144	-	-	-	(24,144)	-	(24,144)
Highways and Public Works	2,469,389	7,548	1,736,194	-	(725,647)	-	(725,647)
Human Services	226,595	48,285	-	33,268	(145,042)	-	(145,042)
Culture and Recreation	255,387	29,697	47,976	-	(177,714)	-	(177,714)
Employee Benefits	1,310,148	-	-	-	(1,310,148)	-	(1,310,148)
Debt Service	80,674	-	-	-	(80,674)	-	(80,674)
Total Governmental Activities	10,676,836	515,422	1,865,643	33,268	(8,262,503)	-	(8,262,503)
<i>Business-Type Activities:</i>							
Sewer	590,482	570,631	1,951	-	-	(17,900)	(17,900)
Landfill	22,086	597	-	-	-	(21,489)	(21,489)
Total Business-Type Activities	612,568	571,228	1,951	-	-	(39,389)	(39,389)
Total	\$ 11,289,404	\$ 1,086,650	\$ 1,867,594	\$ 33,268	(8,262,503)	(39,389)	(8,301,892)
<i>General Revenues:</i>							
Property Taxes					6,915,024	-	6,915,024
Motor Vehicle and Other Excise Taxes					597,444	-	597,444
Penalties and Interest on Taxes					124,303	-	124,303
Other Taxes and Assessments					2,699	-	2,699
Intergovernmental					985,099	-	985,099
Interest and Investment Income					98,975	-	98,975
Other Revenue					24,472	-	24,472
Special Items:							
Transfers In (Out)					119,504	(119,504)	-
Total General Revenues, Special Items and Transfers					8,867,520	(119,504)	8,748,016
Change in Net Position					605,017	(158,893)	446,124
Net Position:							
Beginning of the Year					5,601,261	3,688,702	9,289,963
End of the Year					\$ 6,206,278	\$ 3,529,809	\$ 9,736,087

The Notes to the Financial Statements  
are an Integral Part of this Exhibit

Town of Warren, Massachusetts  
Governmental Funds  
Balance Sheet  
June 30, 2021

	<u>General</u>	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash/Investments	\$ 3,744,723	\$ 1,168,060	\$ 4,912,783
Receivables:			
Property Taxes	343,375	-	343,375
Tax Liens	537,854	-	537,854
Other	3,881	18,610	22,491
Excises	244,036	-	244,036
Departmental	264,696	-	264,696
Intergovernmental		619,522	619,522
Tax Foreclosures	130,973	-	130,973
Total Assets	<u>\$ 5,269,538</u>	<u>\$ 1,806,192</u>	<u>\$ 7,075,730</u>
Liabilities, Deferred Inflows of Resources and Fund Equity:			
Liabilities:			
Employees' Withholding Payable	\$ 67,881	\$ -	\$ 67,881
Other Liabilities	4,366	21,011	25,377
Guarantee Deposits	-	341,680	341,680
Bonds Anticipation Notes Payable	-	50,000	50,000
Total Liabilities	<u>72,247</u>	<u>412,691</u>	<u>484,938</u>
Deferred Inflows of Resources:			
Unavailable Revenues	1,421,401	619,522	2,040,923
Total Deferred Inflows of Resources	<u>1,421,401</u>	<u>619,522</u>	<u>2,040,923</u>
Fund Equity:			
Fund Balances:			
Nonspendable		125,381	125,381
Restricted		691,951	691,951
Assigned	591,948	-	591,948
Unassigned	3,183,942	(43,353)	3,140,589
Total Fund Equity	<u>3,775,890</u>	<u>773,979</u>	<u>4,549,869</u>
Total Liabilities Deferred Inflows of Resources and Fund Equity	<u>\$ 5,269,538</u>	<u>\$ 1,806,192</u>	<u>\$ 7,075,730</u>

The Notes to the Financial Statements  
are an Integral Part of this Exhibit



Town of Warren, Massachusetts  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Fiscal Year Ended June 30, 2021

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<u>Revenues:</u>			
Property Taxes	\$ 7,273,083	\$ -	\$ 7,273,083
Tax Liens	60,307	-	60,307
Excises	615,257	-	615,257
Penalties and Interest	124,303	-	124,303
Licenses and Permits	55,769	2,957	58,726
Intergovernmental	1,029,723	1,833,095	2,862,818
Charges for Services	299,891	26,844	326,735
Fines and Forfeits	9,406	15,750	25,156
Earnings (Losses) on Investments	62,751	-	62,751
In Lieu of Taxes	2,700	-	2,700
Contributions	9,082	59,943	69,025
Miscellaneous		35,898	35,898
Total Revenues	<u>9,542,272</u>	<u>1,974,487</u>	<u>11,516,759</u>
<u>Expenditures:</u>			
General Government	639,704	24,210	663,914
Public Safety	1,401,470	72,762	1,474,232
Education	4,114,858	-	4,114,858
Intergovernmental	24,144	-	24,144
Highways and Public Works	591,409	1,784,861	2,376,270
Human Services	218,093	10,363	228,456
Culture and Recreation	207,491	44,460	251,951
Employee Benefits	1,005,030	-	1,005,030
Debt Service	111,759	-	111,759
Total Expenditures	<u>8,313,958</u>	<u>1,936,656</u>	<u>10,250,614</u>
Excess of Revenues Over (Under) Expenditures	<u>1,228,314</u>	<u>37,831</u>	<u>1,266,145</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	229,460	36,000	265,460
Transfers (Out)	<u>(142,297)</u>	<u>(3,659)</u>	<u>(145,956)</u>
Total Other Financing Sources (Uses)	<u>87,163</u>	<u>32,341</u>	<u>119,504</u>
Excess of Revenues and Other/Sources Over (Under)			
Expenditures and Other Uses	1,315,477	70,172	1,385,649
Fund Balance, Beginning	<u>2,460,413</u>	<u>703,807</u>	<u>3,164,220</u>
Fund Balance, Ending	<u>\$ 3,775,890</u>	<u>\$ 773,979</u>	<u>\$ 4,549,869</u>

The Notes to the Financial Statements  
are an Integral Part of this Exhibit

Town of Warren, Massachusetts  
Reconciliation of the Governmental Funds Balance Sheet  
Total Fund Balances to the Statement of Net Position  
June 30, 2021

Total governmental fund balances	\$ 4,549,869
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,417,842
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,909,950
Certain changes in the net pension and OPEB liabilities are required to be included as expenses in future periods. These changes are reported as deferred outflows/ deferred inflows of resources related to pensions and OPEB.	
Deferred Outflows of Resources - Pensions and Other Post Employment Benefits	651,817
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds Payable	(1,407,925)
Accrued Interest on Bonds	(50,817)
OPEB Accrued Liability	(3,017,474)
Net Pension Liability	(5,317,720)
Deferred Inflows of Resources - Pensions and Other Post Employment Benefits	(1,460,466)
Compensated Absences	(68,798)
Net position of governmental activities	<u>\$ 6,206,278</u>

The Notes to the Financial Statements  
are an Integral Part of this Exhibit



Town of Warren, Massachusetts  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
June 30, 2021

Net change in fund balances - total governmental funds	\$ 1,385,649
--	--------------

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. This is the change related to the activity.

Capital Outlay	\$ 37,033	
Depreciation	<u>(185,176)</u>	
Net Effect of Reporting Capital Assets		(148,143)

Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in Unearned Revenue.

(354,410)

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

30,002

Some expenses reported in the Statement of Activities, such as compensated absences, pensions, accrued interest, OPEB liability do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This represents the difference of those items from the prior year.

Accrued Interest Payable	1,083	
Net Pension Liability	(215,967)	
OPEB Liability	<u>(101,518)</u>	
Net Effect of Reporting Other Items		<u>(308,081)</u>

Change in net position of governmental activities	\$ <u>605,017</u>
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The Notes to the Financial Statements  
are an Integral Part of this Exhibit

Town of Warren, Massachusetts  
Proprietary Funds  
Statement of Net Position  
June 30, 2021

	<u>Sewer</u>	<u>Landfill</u>	<u>Total</u>
<b>Assets</b>			
Current:			
Cash and Cash Investments	\$ 722,441	\$ 180,449	\$ 902,890
Receivables, Net of Allowance for Uncollectibles:			
User Charges	153,067	-	153,067
Liens	103,861	-	103,861
Noncurrent:			
Assets Not Being Depreciated	17,200	218,550	235,750
Assets Being Depreciated, Net	3,650,823	145,118	3,795,941
 Total Assets	 4,647,392	 544,117	 5,191,509
 Deferred Outflows of Resources			
OPEB	38,036	-	38,036
Total Deferred Outflows of Resources	38,036	-	38,036
 <b>Liabilities</b>			
Current:			
Bonds Payable	22,699	-	22,699
Accrued Interest Payable	829	-	829
Noncurrent:			
Bonds Payable	893,520	-	893,520
Landfill Post Closure Accrued Liability	-	357,000	357,000
Accrued OPEB Liability	394,504	-	394,504
Compensated Absences	4,098	-	4,098
 Total Liabilities	 1,315,650	 357,000	 1,672,650
 Deferred Inflows of Resources			
OPEB	27,086	-	27,086
Total Deferred Inflows of Resources	27,086	-	27,086
 <b>Net Position</b>			
Net Investment in Capital Assets	2,751,804	363,668	3,115,472
Restricted for:			
Capital Project	38,383	-	38,383
Betterment Trust	2,305	-	2,305
Unrestricted	550,200	(176,551)	373,649
 Total Net Position	 \$ 3,342,692	 \$ 187,117	 \$ 3,529,809



Town of Warren, Massachusetts  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
Fiscal Year Ended June 30, 2021

	<u>Business-Type Activities</u>		
	<u>Sewer Enterprise</u>	<u>Landfill Enterprise</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 570,631	\$ 597	\$ 571,228
Total Operating Revenues	<u>570,631</u>	<u>597</u>	<u>571,228</u>
Operating Expenditures:			
Non Personal Services	292,855	18,566	311,421
Personal Services	174,995		174,995
Depreciation	<u>122,632</u>	<u>3,520</u>	<u>126,152</u>
Total Operating Expenditures	<u>590,482</u>	<u>22,086</u>	<u>612,568</u>
Operating Income (Loss)	<u>(19,851)</u>	<u>(21,489)</u>	<u>(41,340)</u>
Nonoperating Revenues (Expenses):			
Earnings on Investments	<u>1,951</u>		<u>1,951</u>
Total Nonoperating Revenues (Expenses)	<u>1,951</u>	<u>-</u>	<u>1,951</u>
Income (Loss) Before Transfers	<u>(17,900)</u>	<u>(21,489)</u>	<u>(39,389)</u>
Other Financing Sources (Uses):			
Transfers In (Out)	<u>(178,704)</u>	<u>59,200</u>	<u>(119,504)</u>
Total Transfers, Net	<u>(178,704)</u>	<u>59,200</u>	<u>(119,504)</u>
Changes In Net Position	<u>(196,604)</u>	<u>37,711</u>	<u>(158,893)</u>
Total Net Position Beginning	<u>3,539,296</u>	<u>149,406</u>	<u>3,688,702</u>
Total Net Position Ending	<u>\$ 3,342,692</u>	<u>\$ 187,117</u>	<u>\$ 3,529,809</u>

The Notes to the Financial Statements  
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Town of Warren, Massachusetts  
Statement of Cash Flows  
Proprietary Fund  
Fiscal Year Ended June 30, 2021

	<u>Business-Type Activities</u>		
	<u>Sewer Enterprise</u>	<u>Landfill Enterprise</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 572,415	\$ 597	\$ 573,012
Operating Expenditures	(300,360)	(18,570)	(318,930)
Other Payments	(174,995)		(174,995)
Net Cash Flows Provided (Used) by Operating Activities	<u>97,060</u>	<u>(17,973)</u>	<u>79,087</u>
Cash Flows from Non Capital Related Financing Activities:			
Transfer (To) from Other Funds	<u>(178,704)</u>	<u>59,200</u>	<u>(119,504)</u>
Net Cash Flows Provided (Used) by Non Capital Related Financing Activities	<u>(178,704)</u>	<u>59,200</u>	<u>(119,504)</u>
Cash Flows from Capital and Related Financing Activities:			
Change to Landfill Closure Payable	-	(17,000)	(17,000)
Other	<u>2,052</u>		<u>2,052</u>
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>2,052</u>	<u>(17,000)</u>	<u>(14,948)</u>
Cash Flows from Investing Activities:			
Earnings on Investments	<u>1,951</u>		<u>1,951</u>
Net Cash Flows Provided (Used) by Investing Activities	<u>1,951</u>	<u>-</u>	<u>1,951</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(77,641)	24,227	(53,414)
Cash and Cash Equivalents, Beginning	<u>800,082</u>	<u>156,222</u>	<u>956,304</u>
Cash and Cash Equivalents, Ending	<u>\$ 722,441</u>	<u>\$ 180,449</u>	<u>\$ 902,890</u>
Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (19,851)	\$ (21,489)	\$ (41,340)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	122,632	3,520	126,152
Increase (Decrease) in Liabilities:			
Other Adjustments	(5,721)	-	(5,721)
Net Cash Provided by Operating Activities	<u>\$ 97,060</u>	<u>\$ (17,969)</u>	<u>\$ 79,091</u>

The Notes to the Financial Statements  
are an Integral Part of this Exhibit

Town of Warren, Massachusetts  
Fiduciary Funds  
Statement of Net Position  
June 30, 2021

	Private - Purpose <u>Trust</u>
<b>Assets</b>	
Cash and Cash Investments	<u>\$122,094</u>
Total Assets	<u>122,094</u>
<b>Liabilities</b>	
Current:	
Guarantee Deposits	-
Other Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
<b>Net Position</b>	
Reserved for Individuals, and Other	
Expendable	76,060
Nonexpendable	<u>46,034</u>
Total Net Position	<u><u>\$ 122,094</u></u>

The Notes to the Financial Statements  
are an Integral Part of this Exhibit



Town of Warren, Massachusetts  
Fiduciary Funds  
Statement of Changes in Net Position  
Fiscal Year Ended June 30, 2021

	Private - Purpose <u>Trust</u>
Additions:	
Gifts and Earnings (Losses) on Investments	<u>\$    2,696</u>
Total Additions (Losses)	<u>2,696</u>
Deductions:	
Benefits and Other Reductions	<u>1,000</u>
Total Deductions	<u>1,000</u>
Change in Net Position	<u>1,696</u>
Net Position:	
Beginning of the Year	<u>120,398</u>
End of the Year	<u><u>\$  122,094</u></u>

The Notes to the Financial Statements  
are an Integral Part of this Exhibit

Town of Warren, Massachusetts  
Notes to the Financial Statements  
June 30, 2021

**I Summary of Significant Accounting Policies**

The accounting policies of the Town of Warren, Massachusetts, as reflected in the accompanying financial statements for the year ended June 30, 2021, conform to accounting principles generally accepted in the United States of America for local government units, except as indicated hereafter.

The more significant accounting policies of the Town are summarized below.

**(A) Reporting Entity**

The Town's basic financial statements include the operations of all organizations for which the Board of Selectmen exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Excluded from the Reporting Entity:

Warren Housing Authority – The Warren Housing Authority has its own elected board. The Town does not exercise any oversight authority and has no influence in its budget or operations.

Quaboag Regional School District – The Quaboag Regional School District is a separate legal entity unrelated to the governing body of the Town. The School District is governed by an independently elected school board and shares no common members nor any administrative functions with the Town. The lack of any interdependence with the Town precludes the inclusion of the School District in this report.

**(B) Government-wide and fund financial statements**

The **government-wide financial statements** (i.e., the **statement of net position** and the **statement of activities**) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

## *Major Fund Criteria*

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

- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10% of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding element for all governmental and enterprise funds combined.

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

### (C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

#### Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the 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.

#### Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. These revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Primary sources of revenue considered susceptible to accrual consist principally of real estate and personal property taxes, motor vehicle excise tax, amounts due under grants, charges for services and investment income. Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year end. All other revenues are recognized when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated vacation, accumulated sick pay, and other employee amounts which are not to be liquidated from expendable and available resources; and (2) debt service expenditures which are recognized when due. Agency fund assets and liabilities are accounted for on the modified accrual basis of accounting.

The Town reports the following major governmental fund:

**General Fund** – This is the Town's general operating fund. It accounts for all financial resources of the general government except those required to be accounting for in another fund. In accordance with the GASB 54 requirements, the stabilization fund is now reported as a component of the general fund.



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 types are funds that are included in the nonmajor category:

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 expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the governmental funds.

The permanent fund is used to account for and report 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 Town reports the following proprietary funds:

**Sewer Fund** – This fund is used to account for the activities related to the sewer distribution system.

**Landfill Fund** – This fund is used to account for landfill 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 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 to be spent. The Town maintains a private purpose trust fund for several charitable trusts funds.

The agency fund is used to account for assets held in a purely custodial capacity.

(D) Assets, Liabilities and Net Position or Equity

i Deposits and Investments

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

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain prescribed levels without collateralization by the financial institutions involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase, and units in the Massachusetts Municipal Depository Trust ("MMDT").

Also, certain governmental funds (primarily trust funds) have broader investment powers which allow for investments in common stocks, corporate bonds and other types of investments.

ii Property Taxes

The Town's fiscal year runs from July 1 to June 30. Taxes are levied to the owner of record on the preceding January 1. Estimated bills (based on the prior year) are due on August 1 and November 1. Actual bills are mailed after the tax rate has been set and are due on February 1 and May 1. Property taxes attach as enforceable liens on property as of July 1st of the next fiscal year.

The Town is permitted under state law to levy property taxes up to 2.5% of the full and fair cash value of the Town's property. In addition, the law limits the amount by which the total property tax levy can be increased to 2.5% of the preceding year's allowable levy plus any new growth.

iii Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Infrastructure	40-60
Vehicles	5-10
Other Equipment	10
Computer Equipment	5



iv. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town's governmental fund financial statements (balance sheet) reflect deferred inflows of resources for revenues that do not meet the "available" criteria. The government wide financial statements (statement of net position) reflect deferred inflows and outflows of resources related to pensions and to other post employment benefits.

v. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows.

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 debt used to acquire capital assets.

Net position is reported as restricted when there is an externally imposed restriction on its use or it is limited by enabling legislation.

vi. Fund Balance Classification Policies and Procedures

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement establishes accounting and financial reporting standards for all governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications.

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to the constraints on the specific purposes for which the amounts in those funds can be spent.

GASB 54 requires the fund balance amounts to be reported within one of the fund balance categories list below.

**1. Nonspendable**, includes amounts that cannot be spent because (a) they are not in spendable form (such as fund balance associated with inventories) (b) they are legally or contractually required to stay intact (i.e. corpus of a permanent trust fund).

**2. Restricted**, constraints on the use of resources for specific purposes are imposed (a) by creditors, grantors or contributors, or (b) by law through constitutional provisions or through enabling legislation.



3. **Committed**, includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Selectmen (the Town's highest level of decision-making authority). Similar formal action by the Board of Selectmen is required in order to "reverse" the commitment.

4. **Assigned**, intentions (by the Board of Selectmen, Town Administrator or Town Accountant) that resources are to be used by the government for specific purposes, but the restrictions do not meet the criteria necessary to be classified as restricted or committed.

5. **Unassigned**, the residual classification for the government's general fund. It includes all spendable amounts not contained in the nonspendable, restricted, committed or assigned categories. A "positive" unassigned may only be displayed in the general fund.

The Board of Selectmen is the highest level of decision making authority in the Town. Committed fund balance cannot be used for any other purposes without formal vote taken by the Board of Selectmen.

#### Details of Fund Balance Classifications

The following schedule shows the detail of the fund balance classifications displayed in the aggregate on the Town's balance sheet.

	<u>General Fund</u>	<u>Non Major Funds</u>	<u>Total</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Permanent Fund Principal	\$ -	\$ 125,381	\$ 125,381
<b>Total Nonspendable</b>	<u>-</u>	<u>125,381</u>	<u>125,381</u>
<b>Restricted for:</b>			
General Government	-	241,652	241,652
Public Safety	-	53,456	53,456
Culture and Recreation	-	294,947	294,947
Public Works	-	82,082	82,082
Human Services	-	19,814	19,814
<b>Total Restricted</b>	<u>-</u>	<u>691,951</u>	<u>691,951</u>
<b>Assigned to:</b>			
General Government	199,447	-	199,447
Public Safety	146,521	-	146,521
Public Works	7,884	-	7,884
Human Services	5,070	-	5,070
Debt	2,030	-	2,030
Culture and Recreation	27,996	-	27,996
Subsequent Year Expenditures	203,000	-	203,000
<b>Total Assigned</b>	<u>591,948</u>	<u>-</u>	<u>591,948</u>
<b>Unassigned</b>	3,183,942	(43,353)	3,140,589
<b>Total Fund Balances</b>	<u>\$ 3,775,890</u>	<u>\$ 773,979</u>	<u>\$ 4,549,869</u>

## Stabilization Fund

The Town has established a stabilization fund in accordance with Massachusetts General Laws Chapter 40 Section 5B. That section of the law stipulates that "Cities, Towns and Districts may create 1 or more stabilization funds and appropriate any amount into the funds. Any interest shall be added to and become part of the fund".

"The treasurer shall be the custodian of all stabilization funds and may deposit the proceeds in a trust company, co-operative bank or savings bank, if the trust company or bank is organized or exists pursuant to the laws of the commonwealth or any other state or may transact business in the commonwealth and has its main office or a branch office in the commonwealth; a national bank, federal savings bank or federal savings and loan association, if the bank or association may transact business and has its main office or a branch office in the commonwealth; provided, however, that a state-chartered or federally-chartered bank shall be insured by the Federal Deposit Insurance Corporation or its successor; or may invest the funds in participation units in a combined investment fund pursuant to section 38A of chapter 29 or in securities that are legal investments for savings banks."

"At the time of creating any such fund the city, town or district shall specify, and at any later time may alter, the purpose of the fund, which may be for any lawful purpose, including without limitation an approved school project under chapter 70B or any other purpose for which the city, town or district may lawfully borrow money. Such specification and any such alteration of purpose, and any appropriation of funds into or out of any such fund, shall be approved by two-thirds vote, except as provided in paragraph (g) of section 21C of chapter 59 for a majority referendum vote. Subject to said section 21C, in a town or district any such vote shall be taken at an annual or special town meeting and in a city any such vote shall be taken by city council".

The Town's stabilization fund has a fair market value of \$1,628,759 as of June 30, 2021. The stabilization fund is reported as a component of unassigned fund balance in the general fund on the Town's balance sheet, in accordance with GASB 54 requirements.

### vii. Pensions

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

### viii. Compensated Absences

The liabilities for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation benefits. The liabilities have been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

### ix. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide financial statements and in the fund financial statements for proprietary fund types.

In the government-wide financial statements, and proprietary fund types in the fund financial



statements, long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs are reported as debt service expenditures.

x. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

xi. Warrants Payable

The balance in this account consists of those warrants approved by the Selectmen for payment between July 1 and July 15. These warrants have been recorded as expenditures during the fiscal year ended June 30 and the corresponding credit is to the account entitled warrants payable.

xii. 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.

II Stewardship, Compliance and Accountability

(A) Budgetary Information

i General Budget Policies

Budget requests are prepared by the various Town departments and submitted to the Selectmen and Finance Committee for review during January, February and March of each year. The Selectmen and Finance Committee have until April to make any changes to the departments' requests. After approval of the budget at the annual Town meeting (which is held in May), the tax recapitulation (recap) sheet is prepared. During this process the property tax rate is determined and the recap sheet is sent to the Department of Revenue for approval.

Encumbrance accounting is utilized when purchase orders, contracts or other commitments for purchases are recorded in order to reserve that portion of the applicable appropriations. Encumbrances still open at year end are reported as a reservation of fund balance or retained earnings. Encumbrances do not constitute expenditures or liabilities.



ii Budget Basis of Accounting

The final budget appearing in the required supplementary information section of the financial statements is taken from the Town's annual recap sheet and includes those amounts which pertain to fiscal 2021 adjusted for any special Town meeting votes applicable to fiscal 2021 and reserve fund transfers authorized by the Finance Committee.

The following reconciliation summarizes the differences between the budget basis and the Generally Accepted Accounting Principles (GAAP) basis for the year ended June 30, 2021.

	<u>Revenues</u>
As Reported Budget Basis	\$ 9,465,651
Adjustments:	
60 Day Accrual Adjustments	18,743
Stabilization Fund Revenue	57,878
As Reported GAAP Statement	<u>\$ 9,542,272</u>
	<u>Expenditures</u>
As Reported Budget Basis	\$ 8,362,866
Adjustments:	
Beginning Encumbrances	338,011
Ending Encumbrances	(386,919)
As Reported GAAP Statement	<u>\$ 8,313,958</u>

III Detailed Notes on All Funds

A. Deposit and Investment Risk

i. Deposits

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a formal deposit policy for custodial credit risk. As of June 30, 2021, none of the Town's bank balance of \$2,563,876 was exposed to credit risk.

ii. Investments

As of June 30, 2021, the town had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>5+</u>	
Money Market /CD	\$ 187,441	\$ 68,802	\$ 118,639	\$ -	
U. S. Government Obligations	685,078	312,006	373,072	-	
Corporate Bonds	999,287	152,424	846,863	-	
Equities	279,217	279,217	-	-	
State Treasurer's Investment Pool	1,477,797	1,477,797	-	-	
Municipal Bonds	164,181	164,181	-	-	
Total	<u>\$ 3,793,001</u>	<u>\$ 2,454,427</u>	<u>\$ 1,338,574</u>	<u>\$ -</u>	

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town does not have a formal policy relating to credit risk. As of June 30, 2021, the Town's investment in the U.S. Government Obligations was rated AA+ by Standard & Poor.

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town does not have a formal policy that limits the amount it may invest in a single issuer (State law limits the amount that may be deposited in a financial institution without collateralization).

### Fair Value Measurement

Statement #72 of the Government Accounting Standards Board ("GASB") *Fair Value Measurements and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the Towns' own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Town's own data.

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

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
		<u>Quoted Prices in Active Markets for Identical Assets</u>	<u>Significant Other Observable Inputs</u>	<u>Significant Unobservable Inputs</u>
Investment by Fair Value Level:				
U. S. Treasuries	\$ 685,079	\$ 685,079	\$ -	\$ -
Corporate Bonds	999,286	999,286	-	-
Common Stock	279,217	279,217	-	-
Municipal Bonds	164,181	164,181	-	-
Total Investments in the Fair Value Hierarchy:	<u>2,127,763</u>	<u>\$ 2,127,763</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Not Subject to Fair Value Hierarchy reporting:				
Money Market Funds/CDs	187,441			
MMDT	<u>1,477,797</u>			
Total Investments Not Subject to Fair Value Hierarchy:	<u>1,665,238</u>			
Total Investments	<u>\$ 3,793,001</u>			

The investments classified in Level 1 of the fair value hierarchy were valued using prices quoted in active markets for those securities.

## B. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Government Activities:				
Land	\$ 6,816,753	\$ -	\$ -	\$ 6,816,753
Total Capital Assets Not Being Depreciated	<u>6,816,753</u>	<u>-</u>	<u>-</u>	<u>6,816,753</u>
Assets Being Depreciated:				
Buildings	3,129,274	-	-	3,129,274
Infrastructure	63,314,398	-	-	63,314,398
Equipment and Vehicles	4,202,854	37,033	-	4,239,887
Total Capital Assets Being Depreciated	<u>70,646,526</u>	<u>37,033</u>	<u>-</u>	<u>70,683,559</u>
Less Accumulated Depreciation for:				
Buildings	(1,128,334)	(53,592)	-	(1,181,926)
Infrastructure	(62,734,946)	(20,002)	-	(62,754,948)
Equipment and Vehicles	(3,034,014)	(111,582)	-	(3,145,596)
Total Accumulated Depreciation	<u>(66,897,294)</u>	<u>(185,176)</u>	<u>-</u>	<u>(67,082,470)</u>
Capital Assets Being Depreciated, Net	<u>3,749,232</u>	<u>(148,143)</u>	<u>-</u>	<u>3,601,089</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,565,985</u>	<u>\$ (148,143)</u>	<u>\$ -</u>	<u>\$ 10,417,842</u>



## B. Capital Assets (Continued)

Depreciation expense was charged to functions as follows:

Government Activities:	
General Government	\$ 25,936
Public Safety	59,571
Highways and Public Works	96,233
Culture and Recreation	3,436
Total Governmental Activities Depreciation Expense	<u>\$ 185,176</u>

	Beginning Balance	Additions	Reductions	Ending Balance
Business-Type Activities:				
Land	\$ 235,750	\$ -	\$ -	\$ 235,750
Total Capital Assets not Being Depreciated	<u>235,750</u>	<u>-</u>	<u>-</u>	<u>235,750</u>
Assets Being Depreciated:				
Buildings	3,084,348	-	-	3,084,348
Infrastructure	3,977,457	-	-	3,977,457
Equipment and Vehicles	<u>3,235,871</u>	<u>-</u>	<u>-</u>	<u>3,235,871</u>
Total Capital Assets Being Depreciated	<u>10,297,676</u>	<u>-</u>	<u>-</u>	<u>10,297,676</u>
Less Accumulated Depreciation for:				
Buildings	(1,953,396)	(52,408)	-	(2,005,804)
Infrastructure	(1,276,025)	(60,152)	-	(1,336,177)
Equipment and Vehicles	<u>(3,146,163)</u>	<u>(13,591)</u>	<u>-</u>	<u>(3,159,754)</u>
Total Accumulated Depreciation	<u>(6,375,584)</u>	<u>(126,151)</u>	<u>-</u>	<u>(6,501,735)</u>
Capital Assets Being Depreciated, Net	<u>3,922,092</u>	<u>(126,151)</u>	<u>-</u>	<u>3,795,941</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,157,842</u>	<u>\$ (126,151)</u>	<u>\$ -</u>	<u>\$ 4,031,691</u>

Depreciation expense was charged to functions as follows:

Business-type Activities:	
Sewer	\$ 122,631
Landfill	3,520
Total Business-type Activities Depreciation Expense	<u>\$ 126,151</u>

## C. Accounts Receivable

The accounts receivable on the balance sheet are listed below by levy.

### General Fund

Property Taxes Receivable:

Real Estate Taxes

2021	\$ 238,674
2020	87,497
2019	330
2018 and Prior	<u>4,615</u>
Total Real Estate Taxes	<u>\$ 331,116</u>

C. Accounts Receivable (continued)

Personal Property Taxes

2021	\$ 1,735	
2020	905	
2019	195	
2018 and Prior	<u>9,424</u>	
Total Personal Property Taxes		<u>12,259</u>

Total Property Taxes Receivable \$ 343,375

Tax Liens \$ 537,854

Excise Taxes Receivable:

Motor Vehicle Excise Taxes

2021	\$ 132,229	
2020	34,914	
2019	15,918	
2018 and Prior	<u>60,975</u>	
Total Motor Vehicle Excise Taxes		<u>\$ 244,036</u>

Departmental

Ambulance and Other	<u>\$ 264,696</u>	
Total Departmental		<u>\$ 264,696</u>

Other Governmental Funds

Other	<u>\$ 22,491</u>
Intergovernmental:	
Chapter 90	<u>\$ 619,522</u>

Enterprise Fund

Sewer Liens	<u>\$ 103,861</u>
User Charges	<u>\$ 153,067</u>

## D. Debt

### i Bond Anticipation Notes Payable

The Town has bond anticipation notes outstanding as of June 30, 2021 as follows:

Purpose	Balance Beginning of Year	Issued	Redeemed	Balance End of Year	Interest Rate	Maturity Date
<b>Governmental Activities:</b>						
Roadway Improvement Design/Street Lights	\$ 80,000	\$ -	\$ 30,000	\$ 50,000	0.50%	5/13/2022

### ii Long Term Debt

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 20 years. General obligation bonds outstanding at June 30, 2021 are as follows:

#### (a) General Obligation Bonds Outstanding at June 30, 2021

<b>Governmental Activities:</b>		Original	Interest Rates	Final	Balance			Balance
General Obligation Bond	Sale Date	Borrowing	to Maturities	Maturity	July 1, 2020	Issued	Redeemed	June 30, 2021
Highway Barn	8/15/2009	1,699,000	4.125%	2047	\$ 1,437,927	-	\$ 30,002	\$ 1,407,925
Total Governmental Activities					\$ 1,437,927	\$ -	\$ 30,002	\$ 1,407,925

<b>Business Type Activities:</b>		Original	Interest Rates	Final	Balance			Balance
General Obligation Bond	Sale Date	Borrowing	to Maturities	Maturity	July 1, 2020	Issued	Redeemed	June 30, 2021
Sewer Line Extension Heritage Park	8/15/2009	440,000	4.5%	2040	\$ -	\$ -	-	\$ -
Sewer Line Extension South Street	2/23/2012	750,000	2.25%	2050	640,046	-	15,172	624,874
Sewer Line Extension South Street	6/15/2012	350,000	2.0%	2051	298,526	-	7,181	291,345
Total Business Type Activities					\$ 938,572	\$ -	\$ 22,353	\$ 916,219



## D. Debt (Continued)

### (b) Summary of Debt Service Requirements to Maturity

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	31,240	58,077	22,699	19,887
2023	32,529	56,788	23,192	19,394
2024	33,871	55,446	23,696	18,890
2025	35,268	54,049	24,210	18,376
2026	36,723	52,594	24,736	17,850
2027	38,237	51,080	25,273	17,313
2028	39,815	49,502	25,822	16,764
2029	41,457	47,860	26,383	16,203
2030	43,167	46,149	26,955	15,631
2031	44,948	44,369	27,540	15,045
2032	46,802	42,515	28,139	14,447
2033	48,732	40,585	28,750	13,836
2034	50,743	38,574	29,375	13,211
2035	52,836	36,481	30,013	12,573
2036	55,015	34,302	30,665	11,921
2037	57,285	32,032	31,331	11,255
2038	59,648	29,669	32,012	10,574
2039	62,108	27,209	32,708	9,878
2040	64,670	24,647	33,419	9,167
2041	67,338	21,979	34,145	8,441
2042	70,115	19,202	34,887	7,699
2043	73,008	16,309	35,645	6,941
2044	76,019	13,298	36,420	6,166
2045	79,155	10,162	37,211	5,374
2046	82,420	6,899	38,021	4,565
2047	84,775	3,499	38,847	3,739
2048	0	0	39,692	2,894
2049	0	0	40,555	2,031
2050	0	0	41,297	1,150
2051	0	0	12,718	252
	<u>\$1,407,924</u>	<u>\$913,276</u>	<u>\$916,356</u>	<u>\$331,467</u>

### Bond Authorizations

Long-term debt authorizations voted by the Town which have not been issued or rescinded as of June 30, 2021, are as follows:

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount</u>
November 5, 2015	Street Light Conversion Project	<u>\$200,000</u>
	Total	<u>\$200,000</u>

#### D. Debt (Continued)

	Balance			Balance	Current
	July 1, 2020	Additions	Reductions	June 30, 2021	Portion
<b><u>Governmental Activities</u></b>					
Bonds Payable	\$ 1,437,927	\$ -	\$ (30,002)	\$ 1,407,925	\$ 31,240
Compensated Absences	77,119	-	(8,321)	68,798	-
Net Pension Liability	5,370,445	-	(52,725)	5,317,720	-
OPEB Liability	2,804,471	213,003	-	3,017,474	-
Total Governmental Activities	\$ 9,689,962	\$ 213,003	\$ (91,048)	\$ 9,811,917	\$ 31,240
<b><u>Business Type Activities</u></b>					
Bonds Payable	\$ 938,572	\$ -	\$ (22,353)	\$ 916,219	\$ 22,699
Landfill Liabilities	374,000	-	(17,000)	357,000	-
OPEB Liability	370,147	24,357	-	394,504	-
Total Business Type Activities	\$ 1,682,719	\$ 24,357	\$ (39,353)	\$ 1,667,723	\$ 22,699

#### E. Interfund Transfers

The accompanying financial statements reflect transactions between the various funds. These transactions represent operating transfers and do not constitute revenues or expenditures of the funds. Operating transfers made during the year were as follows:

	Transfers In	Transfers (Out)	Total
General	\$ 229,460	\$ (142,297)	\$ 87,163
Non-Major Governmental	36,000	(3,659)	32,341
Enterprise - Business Type	-	(119,504)	(119,504)
Total	\$ 265,460	\$ (265,460)	\$ -

#### IV Other Information

##### A. Pension Plans

###### a. General Information about the Pension Plan

###### Plan Description

The Town provides pension benefits to eligible employees by contributing to the Worcester Regional Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Worcester Regional Retirement System. The System is administered by a five member board on behalf of all eligible current employees and retirees. The system provides retirement benefits, cost of living adjustments, disability benefits and death benefits.

The system is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws (M.G.L.). The authority to establish and amend benefit provisions requires a statutory change to Chapter 32. The Worcester Regional

Retirement System issues a stand-alone financial report that is available to the public at <https://www.wrrboard.org> the Worcester Regional Retirement System, 23 Midstate Drive, Suite #106, Midstate Office Park, Auburn, Massachusetts 01501.

#### Benefits Provided

The Worcester Regional Retirement System provides retirement, disability and death benefits as detailed below:

#### Retirement Benefits

Employees covered by the Contributory Retirement Law are classified into one of four groups depending on job classification. Group 1 comprises most positions in state and local government. It is the general category of public employees. Group 4 comprises mainly police and firefighters. Group 2 is for other specified hazardous occupations. (Officers and inspectors of the State Police are classified as Group 3.)

For employees hired prior to April 2, 2012, the annual amount of the retirement allowance is based on the member's final three-year average salary multiplied by the number of years and full months of creditable service at the time of retirement and multiplied by a percentage according to the table below based on the age of the member at retirement.

<u>Benefit %</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 4</u>
		<u>Hired on or before April 1 2012</u>	
2.50%	65+	60+	55+
2.40%	64	59	54
2.30%	63	58	53
2.20%	62	57	52
2.10%	61	56	51
2.00%	60	55	50
1.90%	59	N/A	49
1.80%	58	N/A	48
1.70%	57	N/A	47
1.60%	56	N/A	46
1.50%	55	N/A	45

For employees hired on April 2, 2012 or later, the annual amount of the retirement allowance is based on the member's final five-year average salary multiplied by the number of years and full months of creditable service at the time of retirement and multiplied by a percentage according to the tables below based on the age of the member at retirement:

<u>Benefit %</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 4</u>
		<u>Hired on after April 1 2012</u>	
2.50%	67+	62+	57+
2.35%	66	61	56
2.20%	65	60	55
2.05%	64	59	54
1.90%	63	58	53
1.75%	62	57	52
1.60%	61	56	51
1.45%	60	55	50



For all employees, the maximum annual amount of the retirement allowance is 80 percent of the member's final average salary. Any member who is a veteran also receives an additional yearly retirement allowance of \$15 per year of creditable service, not exceeding \$300. The veteran allowance is paid in addition to the 80 percent maximum.

#### Retirement Benefits - Superannuation

Members of Group 1, 2 or 4 hired prior to April 2, 2012 may retire upon the attainment of age 55. For retirement at ages below 55, twenty years of creditable service is required.

Members hired prior to April 2, 2012 who terminate before age 55 with ten or more years of creditable service are eligible for a retirement allowance upon the attainment of age 55 (provided they have not withdrawn their accumulated deductions from the Annuity Savings Fund of the System).

Members of Group 1 hired April 2, 2012 or later may retire upon the attainment of age 60. Members of Group 2 or 4 hired April 2, 2012 or later may retire upon the attainment of age 55. Members of Group 4 may retire upon attainment of age 50 with ten years of creditable service.

Members hired April 2, 2012 or later who terminate before age 55 (60 for members of Group 1) with ten or more years of creditable service are eligible for a retirement allowance upon the attainment of age 55 (60 for members of Group 1) provided they have not withdrawn their accumulated deductions from the Annuity Savings Fund of the System.

#### Ordinary Disability Benefits

A member who is unable to perform his or her job due to a non-occupational disability will receive a retirement allowance if he or she has ten or more years of creditable service and has not reached age 55. The annual amount of such allowance shall be determined as if the member retired for superannuation at age 55 (age 60 for Group 1 members hired on or after April 2, 2012), based on the amount of creditable service at the date of disability. For veterans, there is a minimum benefit of 50 percent of the member's most recent year's pay plus an annuity based on his or her own contributions.

#### Accidental Disability Benefit

For a job-connected disability, the benefit is 72 percent of the member's most recent annual pay plus an annuity based on his or her own contributions, plus additional amounts for surviving children. Benefits are capped at 75 percent of annual rate of regular compensation for employees who become members after January 1, 1988.

#### Death Benefits

In general, the beneficiary of an employee who dies in active service will receive a refund of the employee's own contributions. Alternatively, if the employee were eligible to retire on the date of death, a spouse's benefit will be paid equal to the amount the employee would have received under Option C. The surviving spouse of a member who dies with two or more years of credited service has the option of a refund of the employee's contributions or a monthly benefit regardless of eligibility to retire, if they were married for at least one year. There is also a minimum widow's pension of \$500 per month, and there are additional amounts for surviving children.

If an employee's death is job-connected, the spouse will receive 72 percent of the member's most recent annual pay, in addition to a refund of the member's accumulated deductions, plus additional amounts for surviving children. However, in accordance with Section 100 of Chapter 32, the surviving spouse of a police officer, firefighter or corrections officer who is killed in the line of duty will be eligible to receive an annual benefit equal to the maximum salary held by the member at the time of death. Upon the death of a job-connected disability

retiree who retired prior to November 7, 1996 and could not elect an Option C benefit, a surviving spouse will receive an allowance of \$9,000 per year if the member dies for a reason unrelated to cause of disability.

#### Contributions

Active members of the Worcester Regional Retirement System contribute either 5%, 7%, 8% or 9% of their gross regular compensation depending on the date upon which their membership began. An additional 2% is required from employees for earnings in excess of \$30,000. The Town is required to pay an actuarially determined rate. The contribution requirement of plan members is determined by M.G.L. Chapter 32. The contribution requirements are established by and may be amended by the Worcester Regional Retirement System with the approval of the Public Employee Retirement Administration Commission.

The Town's contractually required contribution rate for the year ended June 30, 2021 was 27.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$402,654 for the year ending June 30, 2021.

b. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the Town reported a liability of \$5,317,720 for its proportionate share of the total net pension liability. The total net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the total net pension liability was determined by an actuarial valuation as of that date. Accordingly, update procedures were utilized to roll forward the liability to the measurement date. The Town's proportion of the total net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2020, the Town's proportion was 0.598573%.

Chapter 176 of the Acts of 2011 was incorporated in this valuation, which changes many of the benefit features for members hired on or after April 2, 2012. In addition, the COLA base was increased to \$15,000 effective July 1, 2014.

Costs related to the Town's pension assessment are not charged to the Town's enterprise funds by way of direct or indirect charges. The Town's has no intention to charge the enterprise funds for the pension related costs in the future. As a result the pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions were not allocated to the enterprise funds.

For the year ended June 30, 2021, the Town recognized pension expense of \$618,623. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,234	\$ 138,015
Change in assumptions	329,202	-
Net differences between projected and actual earnings on pension plan investments	-	274,746
Changes in proportion and differences between contributions and proportionate share of contributions	147,222	294,434
Contributions subsequent to the measurement date	-	-
	<u>\$ 483,658</u>	<u>\$ 707,195</u>

Contributions made subsequent to the measurement date (deferred outflows of resources) are recognized as a reduction of the total net pension liability in the next fiscal year. The Town did not have any deferred outflows of resources for contributions made subsequent to the measurement date. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2021	\$ 17,727
2022	(11,680)
2023	(162,964)
2024	(70,814)
2025	4,194
Total	<u>\$ (223,537)</u>

#### Actuarial Assumptions

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



<b>Valuation date</b>	January 1, 2020
<b>Actuarial Cost Method</b>	Entry age normal cost method
<b>Amortization Method</b>	Payment increases 4.0% per year
<b>Remaining Amortization Period</b>	17 years except for ERI for 2002 and 2003 (10 years) and 2010 (4 years).
<b>Asset Valuation Method</b>	Market value
<b>Investment rate of return</b>	7.5%, net of pension plan expense, including inflation
<b>Discount Rate</b>	7.50%
<b>Inflation</b>	2.2 % per year
<b>Projected Salary Increases</b>	Group 1: 4.25-6.00%, based on service Group 4: 4.75-7.00%, based on service
<b>Cost of Living Adjustments</b>	3.00% of first \$16,000

**Mortality Rates were based on the tables noted below:**

Based on the RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2018.

For disabled lives, the mortality rates were based on the RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scal MP-2018.

In performing the actuarial valuation, various assumptions are made regarding mortality, retirement, disability and withdrawal rates as well as salary increases and investment returns. A comparison of the results of the current valuation and the prior valuation is made to determine how closely actual experience relates to expected. The mortality tables noted above were determined to contain provisions appropriate to reasonably reflect future mortality improvement, based on a review of the mortality experience of the plan.

*Changes in Assumptions*

The following assumption changes were reflected in the January 1, 2020 actuarial valuation:

Most of the Actuarial Assumptions and Methods used in these disclosures are the same as the last measurement date, except the investment rate of return assumption decreased from 7.65% to 7.5% and the one mortality table and mortality improvement rates were updated.

### Changes in Plan Provisions

There were not any changes in the Plan provisions.

### 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Global Equity	39.00%	4.38%
Fixed Income	23.00%	104.00%
Private Equity	13.00%	8.00%
Real Estate	10.00%	3.80%
Timber/Natural Resources	4.00%	4.40%
Portfolio Completion Strategies	11.00%	3.40%
	<u>100.00%</u>	

### Rate of Return

The annual money-weighted rate of return on pension plan investments for December 31, 2020 (net of investment expenses) was 12.03%. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, is adjusted for the changing amounts actually invested, measured monthly.

### Discount Rate

The discount rate used to measure the total pension liability was 7.5%. 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 the Worcester Regional Retirement System contributions will be made at rates equal to the actuarially determined contribution rates. 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 Town's Proportionate Share of the Total Net Pension Liability to Changes in the Discount Rate*

The following presents the total Net Pension liability of the Worcester Regional Retirement System, calculated using the discount rate of 7.5%, as well as what the Worcester Regional Retirement System's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Town's proportionate share of the Net Pension Liability	\$6,551,060	\$5,317,720	\$4,276,364

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued Worcester Regional Retirement System financial report. The System issues a stand-alone financial report is available that can be obtained through the System's website at: <https://www.wrrboard.org>

B. Other Postemployment Benefits (OPEB) Disclosures

**General Information About the Plan**

**Plan Description**

*Plan Administration:* The Town administers all activity related to the other post-employment benefits plan - a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the Town. Management of the plan is vested in the Town's Treasurer. The Town's Board of Selectmen has the authority to establish and amend benefit terms. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of Statement 75.

*Plan Membership:* At June 30, 2021, the plans membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	9
Inactive plan members entitled to but not yet receiving benefit payments	0
Active Plan Members	<u>34</u>
Total	43

*Benefits Provided:* The Town provides retired employees and their spouses and dependents with payments for a portion of their health insurance benefits. Benefits are provided through a third-party insurer.

*Contributions.* The Town pays 75% of the health insurance premiums for its active employees, their spouses and retirees. Spouses of retirees must pay 100% of their premiums. Benefits paid by the Town are on a pay-as-you-go basis. The contribution requirements of plan members and the Town are established and may be amended from time to time.



## Total OPEB Liability

The Town's total OPEB liability of \$3,411,978 was measured as of June 30, 2021, and the total OPEB liability was determined by an actuarial valuation date of July 1, 2019.

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of July 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 % Annually
Payroll Increases	2.5 % Annually
Investment Rate of Return	3.58%
Health Cost Trend Rates	4.5% to 7.0%

Mortality Rates were based on the tables noted below:

Pre-Retirement

The mortality rates are from the RP-2000 Combined Fully Generational Mortality Table with projection scale BB.

*Discount rate:* The discount rate used to measure the total OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates.

## Change in Total OPEB Liability

	<u>Increase (Decrease)</u>
	Total OPEB Liability
	(a)
<b>Balance 6/30/2020</b>	\$ 3,174,618
Service cost	197,910
Interest	73,826
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions	29,967
Benefit payments	(64,343)
<b>Net changes</b>	<u>237,360</u>
<b>Balance 6/30/2021</b>	<u><u>\$ 3,411,978</u></u>

### *Changes in assumptions:*

- Discount rate changed from 2.21% to 2.16%

### *Benefit changes:*

- None

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>1.21%</u>	Discount Rate <u>2.21%</u>	1% Increase <u>3.21%</u>
Total OPEB Liability (asset)	\$4,094,926	\$3,411,978	\$2,875,346

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:* The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 6.0% Decrease to <u>3.50%</u>	Healthcare Cost Trend 7.0% Decrease to <u>4.50%</u>	1% Increase 8.0% Decrease to <u>5.50%</u>
Total OPEB Liability (asset)	\$2,743,698	\$3,411,978	\$4,311,343

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$189,563. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (562,759)
Change in assumptions	206,195	(217,598)
Net differences between projected and actual earnings on OPEB plan investments	-	-
	<u>\$ 206,195</u>	<u>\$ (780,357)</u>

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

Year ended June 30:	Amount
2022	\$ (82,173)
2023	(82,173)
2024	(82,173)
2025	(81,558)
2026	(71,626)
Thereafter	(174,459)

C. Subsequent Year Authorizations

The Town adopted a fiscal 2022 operating and capital budget. Fiscal 2022 budgetary amounts which are not reflected in the accompanying financial statements will be financed by the following sources:

Subsequent Year Authorizations

Property Taxes, State Aid, Other Revenue and Other Available Funds	\$ 10,464,813
Enterprise Fund Revenues and Other Available Funds	765,858
Total	<u>\$ 11,230,671</u>

D. Compensated Absences

Employees are granted varying amounts of vacation and sick leave based on contractual agreements and length of service. General policies are noted below:

Vacation:

Less than one year . . . . .	One half day per month (not to exceed one week)
One year to less than five years . . . . .	Two weeks
Five years to less than ten years. . . . .	Three weeks
Ten years to less than fifteen years . . . .	Four weeks
Over fifteen years . . . . .	Five weeks

Vacation time must be earned in one fiscal year and is available to the employee on July 1, of the subsequent fiscal year. All vacation time must be used by June 30 or it is rescinded. The accumulated vacation leave liability is recorded in the Government-wide financial statements.

Sick Leave:

Less than one year -	One day per month
More than one year -	One and one half days per month/cumulative to one hundred and twenty days

The Town does not "buy back" unused sick leave upon termination of an employee. Sick leave may only be used as time off for sickness. Since any future sick leave payments are attributable to events outside the control of the employer or employee, disclosure of an accumulated sick leave liability is not required.



E. Solid Waste Landfill Closure and Postclosure Care Costs

State and federal regulations require that solid waste landfill closures meet certain standards. Generally accepted accounting principles require recognition of a liability for closure and postclosure costs based on the landfill capacity used to date. Since the Town initiated a landfill enterprise fund in 1997, the entire liability has been recognized and the expenses have been accrued. The operation and eventual closure of the landfill, for the Town of Warren, has two phases. The closure of Phase I of the landfill occurred during fiscal year 1999. The closure of the Phase II portion of the landfill commenced during the summer of 2011. Also, during the summer of 2011, the Town constructed and implemented a transfer station that can be used by any resident. Phase II of the landfill closure was completed during fiscal year 2013.

F. Significant Commitments

Encumbrances

Encumbrances for open purchases are reported as Assigned Fund Balance unless the resources have already been restricted, committed or assigned for another purpose.

Commitments and Contingencies

Various legal actions and claims may be pending against the Town. It does not appear that these matters will have a material adverse effect on the financial condition of the Town.

G. Overlapping Debt

Quaboag Regional School District (K-12) is comprised of the towns of Warren and West Brookfield. By regional agreement, each town is 100% responsible for capital costs and related debt on their respective elementary school buildings; and middle/high school costs are allocated by member town enrollment and further agreement. For the year ended June 30, 2021 the District's long term debt of \$530,000 can be summarized as follows:

<u>Issue Date</u>	<u>Purpose</u>	<u>Issue Amount</u>	<u>Interest Rate</u>	<u>Term in Years</u>	<u>Outstanding June 30, 2021</u>
7/15/2012	Warren Elementary	\$1,048,500	2.00 - 3.00%	15	\$455,000
7/15/2012	Quaboag Middle/High	\$820,700	2.00 - 3.00%	15	\$75,000

Approximately 61% of Warren's share of the Town's principal and interest for which it is responsible are subject to a Proposition 2 1/2 "debt exclusion" as voted by the Town.

Quaboag Regional School District also has bond anticipation notes outstanding as of June 30, 2021 in the amount of \$379,406.

H. Implementation of New GASB Pronouncements

Current Year Implementations –

In January 2017, the GASB issued GASB Statement No. 84, Fiduciary Activities. The objective of the Statement was to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. As amended, the provisions of this Statement became effective for financial reporting periods

beginning after December 15, 2019 (fiscal year 2021). The adoption of this standard did not have an impact on the Town's financial statements.

In August 2018, the GASB issued GASB Statement No. 90, Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61. The objective of this Statement was to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. As amended, the provisions of this Statement became effective for financial reporting periods beginning after December 15, 2019 (fiscal year 2021). The adoption of this standard did not have an impact on the Town's financial statements.

In March 2020, the GASB issued GASB Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement was to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. This Statement eliminates the use of LIBOR as an appropriate benchmark interest rate for derivative instruments that hedge interest rate risk of taxable debt for reporting periods after December 31, 2021. The reporting provisions of this Statement are effective for financial reporting periods beginning after June 15, 2020 (fiscal year 2021). The adoption of this standard did not have an impact on the Town's financial statements.

#### Future Year Implementations -

In June 2017, the GASB issued GASB Statement No. 87, Leases. This Statement redefines the manner in which long-term leases are accounted and reported. As amended, the provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2018, the GASB issued GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. This statement establishes accounting requirements for interest costs incurred before the end of a construction period. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2020 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2019, the GASB issued GASB Statement No. 91, Conduit Debt Obligations. The objective of this Statement is to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issued related to public-private and public-public partnership arrangements. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The objective of this Statement is to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The



Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The objective of this Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.



## REQUIRED SUPPLEMENTARY INFORMATION

Town of Warren, Massachusetts  
Required Supplementary Information  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
<u>Revenues</u>				
Property Taxes	\$ 6,904,370	\$ 6,904,370	\$ 7,273,083	\$ 368,713
Tax Liens and Possessions			60,307	60,307
Excises	515,000	515,000	596,514	81,514
Penalties and Interest	95,000	95,000	124,303	29,303
Licenses and Permits	58,000	58,000	55,769	(2,231)
Intergovernmental	1,032,093	1,032,093	1,029,723	(2,370)
Charges for Services	289,625	289,625	299,891	10,266
Fines and Forfeits	11,000	11,000	9,406	(1,594)
Earnings on Investments	19,000	19,000	4,873	(14,127)
In Lieu of Taxes	2,700	2,700	2,700	-
Miscellaneous	6,267	6,267	9,082	2,815
Total Revenues	8,933,055	8,933,055	9,465,651	532,596
<u>Expenditures</u>				
General Government	769,792	959,541	641,165	318,376
Public Safety	1,580,860	1,641,571	1,425,414	216,157
Education	4,273,036	4,273,036	4,114,858	158,178
Highway and Public Works	652,672	658,078	593,887	64,191
Health and Human Services	243,523	248,375	219,965	28,410
Culture and Recreation	235,026	243,869	226,644	17,225
Intergovernmental	24,144	24,144	24,144	-
Employee Benefits	1,129,606	1,132,756	1,004,401	128,355
Other	6,000	6,000	628	5,372
Debt Service	111,762	141,762	111,759	30,003
Total Expenditures	9,026,421	9,329,132	8,362,866	966,266
Excess (Deficiency) Of Revenues Over Expenditures	(93,366)	(396,077)	1,102,785	1,498,862
<u>Other Financing Sources (Uses):</u>				
Transfers In	188,566	229,460	229,460	-
Transfers Out	(95,200)	(95,200)	(95,200)	-
Other Available Funds		261,817	261,817	-
Total Other Financing Sources (Uses)	93,366	396,077	396,077	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ 1,498,862	\$ 1,498,862

**See Notes to the Required Supplementary Information**

Schedule of the Town of Warren Massachusetts' Proportionate Share of the Net Pension Liability  
Worcester Regional Retirement System  
Last Ten Fiscal Years\*\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportionate share of the net pension liability (asset) (%)	0.598573%	0.603333%	0.644582%	0.587776%	0.587776%	0.592299%	0.573820%	0.574340%
Town's proportionate share of the net pension liability (asset) (\$)	5,317,720	5,370,445	5,844,829	5,331,180	4,923,172	4,204,182	3,414,616	3,333,839
Town's covered payroll	1,457,293	1,369,050	1,656,945	1,457,012	1,525,030	1,444,447	1,388,891	1,345,405
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	364.90%	392.28%	352.75%	365.90%	322.82%	291.06%	245.85%	247.79%
Plan fiduciary net position as a percentage of the pension liability	50.30%	47.36%	43.05%	46.40%	42.00%	44.52%	47.94%	47.07%

\*\*Historical information prior to implementation of GASB 67/68 is not required

The amounts presented for each fiscal year were determined as of December 31.

*This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.*

**See Notes to the Required Supplementary Information**



Required Supplementary Information  
Schedule of the Town of Warren Massachusetts' Contributions  
Worcester Regional Retirement System  
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 402,654	\$ 367,357	\$ 358,868	\$ 330,813	\$ 285,511	\$ 266,452	\$ 226,768	\$ 220,605	\$ 222,204	\$ 218,480
Contributions in relation to the contractually required contribution	<u>(402,654)</u>	<u>(367,357)</u>	<u>(358,868)</u>	<u>(330,813)</u>	<u>(285,511)</u>	<u>(266,452)</u>	<u>(226,768)</u>	<u>(220,605)</u>	<u>(222,204)</u>	<u>(218,480)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	1,457,293	1,369,050	1,656,945	1,457,012	1,525,030	1,444,447	1,388,891	1,345,405	<i>This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.</i>	
Contributions as a percentage of covered payroll	27.63%	26.83%	21.66%	22.70%	18.72%	18.45%	16.33%	16.40%		

**See Notes to the Required Supplementary Information**

Town of Warren, Massachusetts  
Required Supplementary Information  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
June 30, 2021  
Last 10 Fiscal Years

	2021	2020	2019	2018
<b>Total OPEB liability</b>				
Service cost	\$ 197,910	\$ 138,578	\$ 218,589	\$ 231,537
Interest	73,826	87,923	134,861	120,484
Difference between expected and actual experience	-	(731,865)	-	-
Changes in assumptions	29,968	(125,803)	255,901	(182,645)
Benefit payments	(64,343)	(47,704)	(43,666)	(30,760)
<b>Net change in total OPEB liability</b>	237,361	(678,871)	565,685	138,616
<b>Total OPEB liability - beginning</b>	3,174,617	3,853,488	3,287,803	3,149,187
<b>Total OPEB liability - ending (a)</b>	<u>\$ 3,411,978</u>	<u>\$ 3,174,617</u>	<u>\$ 3,853,488</u>	<u>\$ 3,287,803</u>

Town's total OPEB liability as a percentage  
of covered payroll

N/A                      N/A                      N/A                      N/A

**Notes to Schedule:**

*Changes in assumption:*

Discount Rate	2.16% from 2.21%
Plan Changes	None

*"Schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available"*

**See Notes to the Required Supplementary Information**

Town of Warren, Massachusetts  
Notes to the Required Supplementary Information  
June 30, 2021

(A) Budgetary Information

Budget requests are prepared by the various Town departments and submitted to the Selectmen and Finance Committee for review during January and February of each year. The Selectmen and Finance Committee have until the annual Town meeting, to make any changes to the departments' requests. After approval of the budget at the annual Town meeting, the tax recapitulation (recap) sheet is prepared. During this process the property tax rate is determined and the recap sheet is sent to the Department of Revenue for approval.

Encumbrance accounting is utilized when purchase orders, contracts or other commitments for purchases are recorded in order to reserve that portion of the applicable appropriations.

Encumbrances still open at year end are reported as a reservation of fund balance. Encumbrances do not constitute expenditures or liabilities.

(B) Pension Plans

a. Plan Description

The Town provides pension benefits to eligible employees by contributing to the Worcester Regional Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Worcester Regional Retirement System. The System is administered by a five member board on behalf of all eligible current employees and retirees. The system provides retirement benefits, cost of living adjustments, disability benefits and death benefits.

The Town is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws (MGL). The authority to establish and amend benefit provisions requires a statutory change to Chapter 32. The Worcester Regional Retirement System issues a stand-alone financial report that is available to the public at: <https://www.wrrboard.org/> or by writing to the Worcester Regional Retirement System, 23 Midstate Drive, Suite #106, Midstate Office Park, Auburn, Massachusetts 01501.

b. Funding Plan

Active members of the Worcester Regional Retirement System contribute either 5%, 7%, 8% or 9% of their gross regular compensation depending on the date upon which their membership began. An additional 2% is required from employees for earnings in excess of \$30,000. The Town is required to pay an actuarially determined rate. The contribution requirements of plan members are determined by M.G.L. Chapter 32. The Town's contribution requirement is established and may be amended by the Worcester Regional Retirement System with the approval of the Public Employee Retirement Administration Commission.



c. Change in Assumptions

The following assumption changes were reflected in the January 1, 2020 actuarial valuation:

Most of the Actuarial Assumptions and Methods used in these disclosures are the same as the last measurement date, except the investment rate of return assumption decreased from 7.65% to 7.5% and the one mortality table and mortality improvement rates were updated.

d. Changes in Plan Provisions

There were not any changes in the Plan provisions.

e. Schedule of Town's Proportionate Share of the Total Net Pension Liability - Worcester Regional Retirement System

The schedule details the Town's percentage of the collective total Net Pension Liability, the proportionate amount of the collective total Net Pension Liability, the Town's covered payroll, the Town's proportionate share of the collective total Net Pension Liability as a percentage of the Town's covered payroll and the plans fiduciary net position as a percentage of the total pension liability. As more information becomes available, this will be a ten year schedule.

f. Schedule of the Town's Contributions

The schedule details the Town's contractually required contributions, the contributions made by the Town, the deficiency/(excess) of contributions made by the Town, the Town's covered payroll and the Town's contributions as a percentage of covered payroll. As more information becomes available this will be a ten year schedule.

(C) Other Post Employment Benefits (OPEB) Disclosures

*Plan Administration:* The Town administers all activity related to the other post-employment benefits plan - a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the Town. Management of the plan is vested in the Town's Treasurer. The Town's Board of Selectmen has the authority to establish and amend benefit terms.

*Benefits Provided:* The Town provides retired employees and their spouses and dependents with payments for a portion of their health insurance benefits. Benefits are provided through a third-party insurer.

*Contributions.* The Town pays 75% of the health insurance premiums for its active employees, their spouses and retirees. Spouses of retirees must pay 100% of their premiums. Benefits paid by the Town are on a pay-as-you-go basis. The contribution requirements of plan members and the Town are established and may be amended from time to time.

Town of Warren, Massachusetts  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

<u>Federal Grantor Program Title</u>	<u>Pass Through Agency</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>		
			<u>From Direct Awards</u>	<u>From Indirect Awards</u>	<u>Total</u>
<u>U.S. Department of Housing and Urban Development - Office of Community Planning and Development</u>					
CDBG-State Program and Non-Entitlement- Grants in Hawaii	N/A	14.228	<u>\$ 1,026,966</u>	<u>\$ -</u>	<u>\$ 1,026,966</u>
Total U.S.Department of Housing and Urban Development			<u>1,026,966</u>	<u>-</u>	<u>1,026,966</u>
<u>U.S. Department of the Treasury</u>					
COVID-19 Coronavirus Relief Fund	MA Exec Office of A&F COVID19-311	21.019	<u>-</u>	<u>36,306</u>	<u>36,306</u>
Total U.S. Department of the Treasury			<u>-</u>	<u>36,306</u>	<u>36,306</u>
Total Schedule of Expenditures of Federal Awards			<u>\$ 1,026,966</u>	<u>\$ 36,306</u>	<u>\$ 1,063,272</u>

**See Notes to the Schedule of Expenditures of Federal Awards**

Town of Warren, Massachusetts  
Notes to Schedule of Expenditures of Federal Awards  
June 30, 2021

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Town of Warren, under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the schedule presents only a selected portion of the operations of the Town of Warren, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Warren.

(2) Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rates

The Town of Warren has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS*

Board of Selectmen  
Town of Warren  
48 High Street  
Warren, MA 01083

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Warren, Massachusetts, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Warren, Massachusetts' basic financial statements, and have issued our report thereon dated May 23, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Warren, Massachusetts' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Warren, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Warren, Massachusetts' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Warren, Massachusetts' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*James J. Giusti*

James J. Giusti  
Certified Public Accountant  
Georgetown, Massachusetts  
May 23, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE

Board of Selectmen  
Town of Warren  
48 High Street  
Warren, MA 01083

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Warren's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Warren's major federal programs for the year ended June 30, 2021. The Town of Warren's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Warren's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Warren's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Warren's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Town of Warren complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

**Report on Internal Control over Compliance**

Management of the Town of Warren is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Warren's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the



purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Warren's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*James J. Giusti*

James J. Giusti  
Certified Public Accountant  
Georgetown, Massachusetts  
May 23, 2022

Town of Warren, Massachusetts  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021

Section I Summary of Auditor's Results
--

**Financial Statements**

**Type of report the auditor issued:**

Unmodified report on financial statements prepared in accordance with  
Generally Accepted Accounting Principles

Internal control over financial reporting:

- |   |           |         |               |
|---|-----------|---------|---------------|
| . Material weakness(es) identified?       | _____ yes | _____ X | no            |
| . Significant Deficiency(ies) identified? | _____ yes | _____ X | none reported |

Noncompliance material to financial statements noted?

_____ yes	_____ X	no
-----------	---------	----

**Federal Awards**

Internal control over major federal programs:

- |   |           |         |               |
|---|-----------|---------|---------------|
| . Material weakness(es) identified?       | _____ yes | _____ X | no            |
| . Significant Deficiency(ies) identified? | _____ yes | _____ X | none reported |

**Type of auditor's report issued on compliance for major federal programs:**

\_\_\_\_\_ Unmodified

Any audit finding disclosed that are required to be  
reported in accordance with 2 CFR 200.516 (a)?

_____ yes	_____ X	no
-----------	---------	----

Identification of major federal programs:

The major programs identified were:

<u>Funding Source</u>	<u>Program</u>	<u>CFDA#</u>
U.S. Department of Housing & Urban Development	CDBG	14.228

Dollar threshold used to distinguish Type A and Type B programs: \_\_\_\_\_ \$750,000

Auditee qualified as low-risk auditee:	_____ yes	_____ X no
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Section II Findings - Financial Statement Audit
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No findings were reported related to the financial statements.

Section III Findings and Questioned Costs for Federal Awards
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No findings or questioned costs were reported related to Federal Awards

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OFFICE OF THE TOWN ADMINISTRATOR

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**TO:** BOARD OF SELECTMEN  
**FROM:** JAMES J. FERRERA  
**SUBJECT:** TOWN ADMINISTRATOR REPORT  
**DATE:** JUNE 23, 2022  
**CC:** KAREN DUSTY, FILE

---

CPR/First Aid Training - Officer Paul Soojian- June 28<sup>th</sup> - Parks Department - 5pm

Visitors Code of Conduct - Senior Center - All Town Buildings

Attended Sewer Commission Meeting - Public Hearing on the rates - July

Attended Board of Assessors meeting - 6/22 - Road Map

New Hires - Assistant to the Town Clerk - Leslie Cook

Finance Committee Meeting on June 28<sup>th</sup> at 6pm

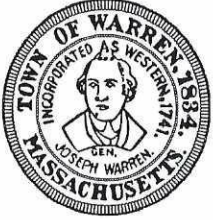
DOR - Meeting tomorrow with accountant

Grants - tracking, reimbursements, EDA Set-up meeting tomorrow

MIIA Training How to Conduct an Internal Discrimination Investigation

Small Town Administrators Of Massachusetts Annual Business Meeting 6/30/2022 10am - 3pm - Salem Cross Inn - No cost.





# TOWN ADMINISTRATOR

CHARLES E. SHEPARD MUNICIPAL BUILDING

Draft

48 High St. • P. O. Box 609 • Warren, MA 01083-0609 • Tel. 413-436-5701 • Fax 413-436-9754

## VISITORS CODE OF CONDUCT

The Town of Warren's officials and employees strive to provide a positive experience for those visiting Town facilities, by following the "Professional Standards of Conduct Policy". In addition, the Town supports a workplace that is conducive to personal safety and security and is free from intimidation or violent acts. The Town does not tolerate workplace violence, including the threat of violence by anyone who conducts business with the Town.

The Town will not tolerate harassing conduct that affects employment conditions, that interferes unreasonably with an individual's performance, or that creates an intimidating, hostile, or offensive work environment.

Complying with this Code of Conduct is required by all people doing business with Town employees and any official board or committee of the Town.

Violators who do not comply with this policy may be asked to leave the premises.

### Expected Conduct

- AVOID CAUSING DISTURBANCES OR DISRUPTIONS
- SHOW RESPECT FOR OTHERS, BUILDING FACILITIES, AND PERSONAL PROPERTY OF OTHERS
- ANY DISCRIMINATORY PRACTICES WILL NOT BE TOLERATED
- USE COMMON COURTESY WHEN INTERACTING WITH OTHERS
- DO NOT ENGAGE IN ANY LEWD OR OFFENSIVE BEHAVIOR *or language*
- ANY FORM OF VIOLENCE IS PROHIBITED
- SMOKING, DRINKING ALCOHOL, OR APPEARING TO BE UNDER THE INFLUENCE OF ANY ILLEGAL SUBSTANCE IS PROHIBITED

Repeated violations may result in permanent suspension of facility privileges.

*Thank you for your visit and cooperation!*

*James J. Ferrera*



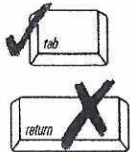
Massachusetts Department of Environmental Protection  
Bureau of Resource Protection – Drinking Water Program

# Consumer Confidence Report Certification

For calendar year 2021

## A. PWS Information

Important: When filling out forms on the computer, use only the tab key to move your cursor - do not use the return key.



Warren Water District

1311000

PWS Name

PWS ID

Warren

2273

City/Town

Max population

The community water system named above hereby certifies that its Consumer Confidence Report (CCR) was distributed to customers, appropriate agencies, and notices of availability have been given in compliance with 310 CMR 22.16A. Furthermore, the system certifies that the information contained in the report is correct and consistent with the compliance monitoring data previously submitted to MassDEP.

Loretta Beaudry

Name

Clerk

Title

413-436-9819

Phone

wwd@warrenwater.comcastbiz.net

E-Mail

*I certify under penalty of law that I am the person authorized to fill out this form and the information contained herein is true, accurate, and complete to the best of my knowledge and belief.*

Date

*Loretta Beaudry*  
Signature of Owner/Responsible Party or Certified Operator

## B. Public Notice Certification

VSS PWS note: if you deliver your CCR by newspaper or postings, that method will not meet PN requirements. You must directly deliver your PN by hand, land mail, or email.

Is this system using this CCR to provide **Tier 3** Public Notice to their customers?

☐ Yes

☒ No

The PN is for a: Violation ☐ UCMR ☐ Other ☐

List other

Did you have a consultation with MassDEP? ☐ Yes ☐ No

Consultation date

The PN can be found on page \_\_\_\_\_ of the CCR.

Date of PN Occurrence NON-Number

☐ I am reporting multiple Tier 3 PNs. I have listed the additional PN information at the end of this form.

The public water system indicated above hereby affirms that a Tier 3 public notice has been provided within this CCR to consumers in accordance with 310 CMR 22.16(4) including: delivery, content, format requirements, notification deadlines, and that the public water system will meet future requirements for notifying new billing units and new customers of the violation.

If you did not sell water to another community PWS skip Section C.

## C. For Systems Selling Water to Other Community Water Systems

☒ My system delivered the applicable information required at 310 CMR 22.16A(3), to the buying system(s) no later than April 1st of this year, or by the mutually agreed upon date specifically included in a written contract between the parties.

## D. Annual Cross Connection Education

Is this CCR being used for your system's annual cross-connection education?  
If no, what methods did you use to meet your annual CCCP requirements (citation)?

☒ Yes

☐ No



## F. Good Faith Delivery Methods (minimum of 3 is required for any sized systems)

Good Faith efforts are *in addition* to your primary method of delivery.

To reach people who drink our water but are not billed customers the following were conducted in addition to the required delivery:

- ☐ Posted the CCR on a publicly accessible Internet site at the following address. (Only for systems under 100,000 population who did not use this method as their primary method)

www.

List the URL used.

- ☒ Mailed the CCR to all postal patrons within the service area (list of zip codes used is attached).

- ☐ Mailed a postcard listing the URL where the CCR can be found, to all postal patrons within the service area (list of zip codes used is attached).

www.warrentwaterdistrict.net

List the URL used.

- ☐ Advertised availability of the CCR in the following news media (the announcement is attach):

☐ Radio ☐ Newspaper ☒ Television / cable ☐ Social media ☒ Digital signboard

- ☐ Published the CCR in local newspaper (attach the published CCR).

- ☒ Posted the CCR in public places i.e., post office, town hall, library (list of locations is attached).

- ☐ Delivered multiple CCR copies to single-bill addresses serving several persons i.e., apartments, businesses, large private employers (list of locations is attached).

- ☐ Delivered multiple CCR copies to community organizations ( list of organizations is attached.)

- ☒ Posted the CCR or a notice of availability at locations within the apartment/condo complex (list of the locations is attached).

- ☐ Deliver CCR to new residents when they move in.

☐

Other

## G. Mandatory Agency Delivery Requirements

All systems must submit CCR to these three agencies

- ☒ 1. **Local Board of Health**

Deliver 1 copy of CCR and the Certification Form (Contact your board of health as to whether they would prefer hardcopy or e-delivery of CCR.)

6/8/22

Date completed

- ☒ 2. **MA Dept. of Public Health**

Deliver 1-copy of CCR and the Certification Form

☒ PDF emailed to: [dph.ccr@massmail.state.ma.us](mailto:dph.ccr@massmail.state.ma.us)

or

☐ Hardcopy to: 250 Washington St.; Boston, MA 02108

6/8/22

Date completed

- ☒ 3. **MassDEP Boston Office\***

Deliver 1 copy of CCR, the Certification Form, and all needed attachments

☒ PDF emailed to: [Program.Director-DWP@Mass.gov](mailto:Program.Director-DWP@Mass.gov).

Label it [PWSID-PWS Name-year-CCR]

or

☐ Hardcopy to: MassDEP-CCR Program, 1 Winter St. -5<sup>th</sup> Fl.; Boston, MA 02108

6/8/22

Date completed

Agencies and consumers must receive CCR on or before July 1.

For e-delivery, scan documents into one PDF file. Make sure Cert Form is first with CCR following it.

\*Because of COVID-19 restrictions, the preferred delivery method is email.

--Do not send to MassDEP regional offices--  
Only Boston is accepting CCRs



## CCR Good Faith Delivery Methods

Posted:      Town Hall  
                 Library  
                 Post Office

Delivered:    Wood Side Apartments  
                 Fountain View Estates  
                 Evergreen Park  
                 Heritage Village  
                 Prospect St. Apartments  
                 Warren Glen Condo  
                 Warren Housing

# WARREN WATER DISTRICT 2021 WATER QUALITY CONSUMER CONFIDENCE REPORT

P. O. Box 536  
Warren, MA 01083-0536

PWS ID #1311000

July 1, 2022

## Section 1 PUBLIC WATER SYSTEM INFORMATION

We are pleased to provide you, our customer, with this year's Annual 2021 Water Quality Report. If you have any questions about this report or concerning your water utility, please contact Carol Sanders at 413-436-9819, 9 a.m.-1 p.m., Monday through Friday, or e-mail us at

[wwd@warrenwater.comcastbiz.net](mailto:wwd@warrenwater.comcastbiz.net).

We want our valued customers to be informed about their water utility. If you would like to learn more, please attend any of our regularly scheduled meetings. They are held the 2nd and the 4th Tuesday of the month at 10:00 a.m., at 988 Main Street. Please phone the office if an evening meeting is needed to be scheduled. Large print documents will be provided upon request at no additional cost to the person requesting accommodations.

The Warren Water District is governed by a three-member elected Board. The current Commissioners are: Loretta Beaudry, Donald Makowski and Cynthia Baxter. The Commissioners serve a three-year term and the District encourages minorities, females, and individuals with disabilities to apply for nomination papers which must be filed thirty days prior to the Annual Meeting. The Annual District Meeting is held the 2nd Thursday of May each year, in the Shepard Municipal Building, Gym at 48 High St. Warren, MA.

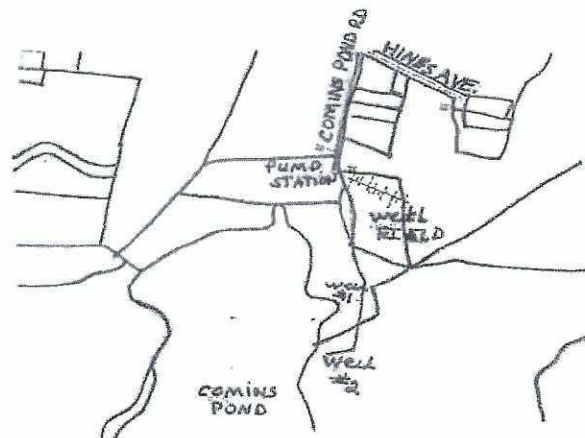
This Consumer Confidence Report is available upon request.

**LANDLORDS:** Please make this report available to your tenants.

**BUSINESSES, SCHOOL OFFICIALS AND PUBLIC BUILDINGS:** Please post this report where employees and people who may drink this water may read it.

## Section 2 DRINKING WATER SOURCE

Our water sources are two gravel packed wells and one manifold tubular wellfield located at Comins Pond. We are currently adding a blend of orthophosphate, polyphosphate and sodium hydroxide. The orthophosphate content of these products forms a protective film on ductile iron, steel, copper, lead and other metals to reduce corrosion. The polyphosphate content of the product sequesters iron, manganese and calcium from the water to reduce staining in plumbing fixtures. Sodium hydroxide is being used to adjust the pH of the drinking water. Zone I is a 400 foot radius around each well.



## Section 3 PROFESSIONAL LICENSED STAFF

The State of Massachusetts has very specific laws requiring operators to be certified to provide drinking water to the public. Our certified operators are required to hold both a systems operator license and a treatment license. Our operators are certified by the Association of Boards of Certification by meeting required training and continuing education as required by the Massachusetts Division of Registration, Drinking Water Operators Certification Board.



## Section 4 SUBSTANCES FOUND IN TAP WATER

Sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals, and in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

**Microbial contaminants** -such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

**Inorganic contaminants** -such as salts and metals, which can be naturally-occurring or result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining, and farming.

**Pesticides and herbicides** -which may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses.

**Organic chemical contaminants** -including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also, come from gas stations, urban storm water runoff, and septic systems.

**Radioactive contaminants** -which can be naturally occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the Department of Environmental Protection (DEP) and U.S. Environmental Protection Agency (EPA) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. The Food and Drug Administration (FDA) and Massachusetts Department of Public Health (DPH) regulations establish limits for contaminants in bottled water that must provide the same protection for public health. All drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA's Safe Drinking Water Hotline (800-426-4791).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and some infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/Centers for Disease Control and Prevention (CDC) guidelines on lowering the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

## Section 5 IMPORTANT DEFINITIONS

**Maximum Contaminant Level (MCL)** – The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology. **Maximum Contaminant Level Goal (MCLG)** –The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

**Action Level (AL)** – The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

**Variances and Exemptions** – State or EPA permission not to meet an MCL or a treatment technique under certain conditions.

**ppm** = parts per million, or milligrams per liter (mg/L)      **ppb** = parts per billion, or micrograms per liter (ug/L)      **pCi/L** = picocuries per liter (a measure of radioactivity)

## Section 6 2021 WATER QUALITY TESTING RESULTS

The water quality information presented in the table(s) is from the most recent round of testing done in accordance with regulations. All data shown was collected during the calendar year of January 1 to December 31, 2021 unless otherwise noted in the table(s). All other testing including bacteriological reports conducted throughout the year was below detectable limits.

**MONITORING WAIVER GRANTED:** The Department of Environmental Protection granted a waiver for the testing of Synthetic Organic Compounds.



## Section 6 2021 WATER QUALITY TESTING RESULTS (Continued)

**ASBESTOS:** Some people who drink water containing asbestos in excess of the MCL over many years may have an increased risk of developing benign intestinal polyps. *The next round of asbestos testing is scheduled for 2022.*

**RADIUM 226 & 228 AND GROSS ALPHA:** The next round of testing is scheduled for 2024.

**LEAD AND COPPER:** Educational flyers on the health effects of lead in drinking water are available at the District office. 90th Percentile: Out of every 10 homes sampled, 9 were at or below this level. This number is compared to the action level to determine lead and copper compliance. *The next round of Lead and Copper is scheduled for 2022.*

	Date Collected	90 <sup>TH</sup> percentile	# of sites exceeded	# of sites sampled	Action level	MCLG	Violation (Y/N)	Possible source of contamination
<b>Lead ug/L</b>	9/24/19	0.0045	0	10	.015	.015	N	Corrosion of household plumbing systems, erosion of natural deposits
<b>Copper mg/L</b>	9/24/19	0.132	0	10	1.3	1.3	N	Corrosion of household plumbing systems, erosion of natural deposits

Lead is a common metal found throughout the environment in lead-based paint, air, soil, household dust, and food, certain types of pottery porcelain and pewter, and water. Lead can pose a significant risk to your health if too much of it enters your body. Lead builds up in the body over many years and can cause damage to the brain, red blood cells, and kidneys. The greatest risk is to young children and pregnant women. Amounts of lead that won't hurt adults can slow down normal mental and physical development of growing bodies. In addition, a child at play often comes into contact with sources of lead contamination – like dirt and dust- that rarely affect an adult. It is important to wash children's hands and toys often, and to try to make sure they put only food in their mouths. Educational flyers on the health effects of lead in drinking water are available at the District office.

**Lead:** If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Warren Water District is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing method and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

**Copper:** Copper is an essential nutrient, but some people who drink water containing copper in excess of the action level over a relatively short amount of time could experience gastrointestinal distress. Some people who drink water containing copper in excess of the action level, over many years, could suffer liver and kidney damage. People with Wilson's disease should consult their personal doctor.

**MANGANESE:** Manganese is a naturally occurring mineral found in rocks, soil and groundwater, and surface water. Manganese is necessary for proper nutrition and is part of a healthy diet, but can have undesirable effects on certain sensitive populations at elevated concentrations. The United States Environmental Protection Agency (EPA) and MassDEP have set an aesthetics-based Secondary Maximum Contaminant Level (SMCL) for manganese of 50 ug/L (micrograms per liter), or 50 parts per billion. In addition, MassDEP's Office of Research and Standards (ORS) has set a drinking water guideline for manganese (ORSG), which closely follows the EPA public health advisory for manganese.



## Section 6 2021 WATER QUALITY TESTING RESULTS (Continued)

*Drinking water may naturally have manganese and, when concentrations are greater than 50 ug/L, the water may be discolored and taste bad. Over a lifetime, the EPA recommends that people drink water with manganese levels less than 300 ug/L and over the short term, EPA recommends that people limit their consumption of water with levels over 1000 ug/L, primarily due to concerns about possible neurological effects. Children up to 1 year of age should not be given water with manganese concentrations over 300 ug/L, nor should formula for infants be made with that water for longer than 10 days. The ORSG differs from the EPA's health advisory because it expands the age group to which a lower manganese concentration applies from children less than 6 months of age to children up to 1 year of age to address concerns about children's susceptibility to manganese toxicity. See: EPA Drinking Water Health Advisory for Manganese*

[http://www.epa.gov/safewater/ccl/pdfs/reg\\_determine1/support\\_cc1\\_magnese\\_dwreport.pdf](http://www.epa.gov/safewater/ccl/pdfs/reg_determine1/support_cc1_magnese_dwreport.pdf) and MassDEP Office of Research and Standards Guideline (ORSG) for Manganese

<http://www.mass.gov/cca/agencies/massdep/water/drinking/manganese-in-drinking-water.html>

Unregulated or Secondary Contaminant	Date Collected	Result or Range Detected	Average detected	SMCL	ORSG or Health Advisory	Possible Sources
Manganese (mg/L)	4/1/2021 4/1/2021	A*: 0.462 B*: 0.543		0.050	300**	Erosion of natural deposits

\*A: Sources Pre-treatment

\*B: Comins Pond Pump Station

\*\*US EPA and MassDEP have established public health advisory levels for manganese to protect against concerns of potential neurological effects.

### IRON:

Unregulated or Secondary Contaminant	Date Collected	Result or Range Detected	SMCL	Possible Sources
Iron(mg/L)	4/1/2021	A* 0.353 B* 0.356	0.3	Erosion of natural deposits

\*A: Sources Pre-treatment

\*B: Comins Pond Pump Station

**NITRATE:** Nitrate in drinking water at levels above 10 ppm is a health risk for infants of less than six months of age. High nitrate levels in drinking water can cause blue baby syndrome. Nitrate levels may rise quickly for short periods of time because of rainfall or agricultural activity. If you are caring for an infant, you should ask for advice from your health care provider.

Regulated Contaminant	Date Collected	Result Mg/L	Detection Limit Mg/L	MCLG or	Violation (Y/N)	Possible Source of Contamination
Nitrate	12/1/2021	0.55	0.010	10.0	N	Runoff from fertilizer use, leaching from septic tanks, sewage, erosion of natural deposits.

**PERCHLORATE:** This test was conducted 7/7/2021, and the results were below detected limits. Perchlorate is widely used as a component of propellants in rockets, missiles, and fireworks. Perchlorate is a human health concern as it can interfere with iodide uptake into the thyroid gland, which can disrupt thyroid function and can potentially disrupt fetal and child development.

**SYNTHETIC ORGANIC COMPOUNDS:** The (SOC) was tested on 6/1/2021, and the test results were Below Regulated Limit (B.R.L.) for all compounds.

**VOLATILE ORGANIC COMPOUNDS:** The (VOC) was tested on 4/1/2021, and the test results were Below Regulated for all compounds.

**PFAS6:** On October 2, 2020, MassDEP published its PFAS public drinking water standard, called a Massachusetts Maximum Contamination Level (MMCL), of 20 nanograms per liter (ng/L) (or parts per trillion (ppt)) – individually or for the sum of the concentrations of six specific PFAS. These PFAS are perfluorooctane sulfonic acid (PFOS); perfluorooctanoic acid (PFOA); perfluorohexane sulfonic acid (PFHxS); perfluorononanoic acid (PFNA); perfluoroheptanoic acid (PFHpA); and perfluorodecanoic acid (PFDA). MassDEP abbreviates this set of six PFAS as “PFAS6.” This drinking water standard is set to be protective against adverse health effects for all people consuming the water.

All other PFAS6 were undetected. These reported PFAS were detected but below the Reporting Limit.

Regulated Contaminant (CASRN)	Date Collected			MCL of 20 ppt	Health Effects	Possible Source of Contamination
Perfluorohexanoic acid (PFHxA)	2/17/2021 2/17/2021	Well Well	02G 03G	1.2 1.7	Some people who drink water containing these PFAS in excess of the ORSG may experience certain adverse effects. These could include effects on the liver, blood, immune system, thyroid, and fetal development. These PFAS may also elevate the risk of certain cancers.	Discharges and emissions from industrial and manufacturing sources associated with the production or use of these PFAS, including production of moisture and oil resistant coatings on fabrics and other materials. Additional sources include the use and disposal of products containing these PFAS, such as fire-fighting foams.
Perfluorohexane sulfonic acid (PFHxS)	2/17/2021 2/17/2021	Well Well	02G 03G	N/D 0.50		
Perfluorooctanoic acid (PFOA)	2/17/2021 2/17/2021	Well Well	02G 03G	1.9 2.1		
Perfluoroheptanoic acid (PFHpA)	2/17/2021 2/17/2021	Well Well	02G 03G	0.76 0.95		

\*PFOS was an unregulated chemical from January 1 – October 1, 2020 and had an ORSG of 20 ppt. On October 2, 2020 it became regulated with an MCL of 20 ppt. Any detects found after that time would be reported in the regulated table.

## Section 7 SOURCE WATER ASSESSMENT PROGRAM (SWAP)

The Department of Environmental Protection DEP, conducts a SWAP to help the District recognize the potential contaminant sources within Zone I and Zone II, and identify land uses within this area. Potential contaminant sources are the parking area for beach users and aquatic wildlife.

This report is available on DEP's website [www.state.ma.us/dep/brp/dws/](http://www.state.ma.us/dep/brp/dws/)



## Section 8 WATER CONSERVATION TIPS!

**FIX A LEAK WEEK:** The Warren Water District has teamed up with Lowes at 348 Palmer Rd., Ware to offer discount savings on plumbing supplies to fix a leak and replacement showerheads, faucets or toilets. Look for information on Fix-a-leak week coming in March 2023.

**Install:** water-saving faucets and low-flow showerheads.

**Check your toilets for leaks:** The leaks are sometimes so small you cannot hear or see them. Remove the tank cover and add a few drops of food coloring (red, green) to the tank, let set for approximately 2 hours. Then, look in the bowl. Do you see discolored water (red, green)? If so, you have a leak and should call a professional plumber. A leaking toilet can use up to 200 gallons a day.

## Section 9 DROUGHT CONDITIONS & CONSERVATION

The District enforced a mandatory water use restriction in 2021 and has continued this restriction until September 30, 2021 under the guidance of the DEP, Water Management Act Permit.

The District, through its Board of Water Commissioners, may declare a State of Water Conservation if the Board by a majority vote determines a shortage of water exists. Notification will take place by the following: 1) Notice mailed with your quarterly bill 2) Public access TV 3) Bill-board display located at 988 Main St. The following restrictions may occur:

- 1) Odd/even day outdoor watering
  - 2) Outdoor watering Ban
  - 3) Filling of swimming pools
  - 4) Use of automatic sprinklers
- OR No nonessential outdoor water use is allowed between 9 a.m. to 5 p.m.

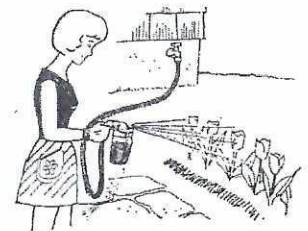
**TIPS:** Set automatic systems to run before 10am and again after 6pm. Do Not set during heat of the day.

Water use restrictions are implemented to protect your water supply and ensure water quality during a State of Water Supply Emergency. (Article 15 of the District By-laws, Water Use Restrictions, available upon request)

## Section 10 BACKFLOW PREVENTION & CROSS CONNECTION

**What is a cross connection?** A cross connection is a direct arrangement of a piping line which allows the potable water supply to be connected to a line which contains a contaminant. An example is: a garden hose attached to a service sink with the end of the hose submerged in a tub full of detergent. The District is regulated under a Department of Environmental Protection approved cross connection program in accordance with 310 CMR 22.22. Cross connection control is achieved by the combined cooperative effort between plumbing and health officials, the water supplier, and the property owners. Homeowners are required to protect their drinking water supply when residential sprinkler systems are installed.

Surveys are conducted on new businesses as required. During 2021, in accordance with regulations sixteen businesses and five home sprinkler systems were tested. One device failed and repaired.



## Section 11 ONLINE BILL PAY or Autopay

To accommodate our customers, we offer online bill pay through Unibank. Go to: <https://unipaygold.unibank.com> Choose Warren Water District. Enter your 8 digits of your account number and complete each screen to process your payment. We also accept MasterCard, American Express and Discover credit card payments. Fees assessed on a per transaction basis by UniPay Gold.

## Section 12 GROUNDWATER PROTECTION

The Wellhead Protection Plan that was approved by the Department of Environmental Protection along with this and other by-laws are the cornerstones of our Master Plan.

The Groundwater Protection By-law was adopted by the Town of Warren May of 2005. The purpose of this by-law is to promote the health, safety, and general welfare of the community by ensuring quality and an adequate quantity of drinking water for its residents and to protect the potential sources of our drinking water supply.

A Groundwater Protection Regulation was adopted by the Board of Health of the Town of Warren, January 10, 2002 pursuant to M.G.L. Chapter 111, Section 31, and 122.

The Groundwater Protection By-law and Regulation is available upon request at the District office.

## Section 13 VISIT OUR DISTRICT WEBSITE

The website has been developed to provide you updates on meeting date and times, hydrant flushing, office hours, office policies such as shut off procedures. Please visit: [warrenwaterdistrict.net](http://warrenwaterdistrict.net)

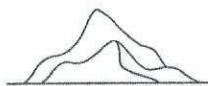
## Section 14 CLOSING STATEMENT

The construction for the new Treatment Plant is on schedule. We are looking to be operational by December 31, 2022. The building is up and the filtration vessels are being installed. With that being said, now we begin the loan repayment. As of July 2022, an assessment fee will be seen on your bill. This fee will be based upon the loan payment each year. It will be divided equally between the number of units within our district. An example is a two family will be charged for both units. A four family, four units and so on. No abatements will be granted for the assessment fee. As the loan is paid down your assessment fee will also be lower. At this time, the assessment fee is approximately \$48.00 per quarter. This is subject to change based on the number of units at the time of calculation. The Commissioners and staff would like to thank everyone for being so understanding over these past few years as we are working diligently to correct the brown water issues.

"This institution is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [https://www.ascr.usda.gov/complaint\\_filing\\_cust.html](https://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov)





# SANDMAN LAW

501 CONGRESS ST., SUITE 2021

BOSTON, MA 02210

[WWW.SANDMAN-LAW.COM](http://WWW.SANDMAN-LAW.COM)

PHONE: (617) 336-6161

June 21, 2022

**Re: PFAS Contamination**

Dear Client:

As you are aware, we represent you in the Opioid Litigation, but I write to you at this time about a problem that requires immediate attention - the chemicals Perfluorooctanoic Acid (PFOA) and Perfluorooctane Sulfonate (PFOS). These highly toxic chemicals have been found in your public water supplies, and we recommend that you consider taking action against the manufacturers, including 3M and DuPont.

**Last week, the Environmental Protection Agency (EPA) issued a Health Advisory warning stating that even the smallest amount of these chemicals in your water supply is potentially harmful to human health.** One particular PFAS product of concern is Aqueous Film-Forming Foam, or AFFF, which is used to control and extinguish liquid fuel fires. AFFF has leached into our nation's public water supplies and may have leached into your water supply. You may be aware of news stories regarding the PFAS contamination problems throughout Massachusetts.

The Massachusetts Maximum Contaminant Level, or MCL, for the sum of six PFAS chemicals (PFOS, PFOA, PFHxS, PFNA, PFHpA and PFDA), collectively known as PFAS6, is 20 parts per trillion (ppt). We have determined that PFAS chemicals have been found in your public water supply and recommend that you join an ongoing lawsuit intended to address the problems caused by these contaminants.

We have extensive experience litigating water contamination issues. Several years ago, we secured settlements of approximately \$100 million for 90 Massachusetts cities, towns and water districts due to the contamination of their public drinking water caused by the gasoline additive Methyl Tertiary Butyl Ether (MTBE).

As you will read in the attached PFAS Litigation Group brochure, we are working with Baron & Budd as well as Cossich, Sumich, Parsiola and Taylor, LLC, of Louisiana, to hold the manufacturers of these "forever chemicals" accountable for the contamination of groundwater and soil in our communities. PFAS cases have been consolidated in a Multidistrict Litigation (MDL) in South Carolina. My partner in this litigation, Attorney Scott Summy of Baron & Budd, has been named co-lead counsel. Here in Massachusetts, we jointly represent the Lunenburg, North Raynham, Raynham Center and Sandwich Water Districts, and the towns of Avon, Ayer, Barnstable, Bellingham, Chatham, Danvers, Falmouth,

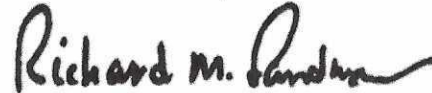


Millis, Uxbridge, Webster and West Bridgewater, among others, and we are presently in discussions with many more cities, towns and water districts throughout the country.

I would like to schedule a call to discuss this issue as soon as possible. I can be reached by email at [rich@sandman-law.com](mailto:rich@sandman-law.com) or on my cell phone, 978-886-0640, or you may reach Lesley Zorabedian at 617-947-5270.

Very truly yours,

SANDMAN LAW, LLC

A handwritten signature in black ink that reads "Richard M. Sandman". The signature is written in a cursive, flowing style with a long, sweeping underline.

Richard M. Sandman

RMS:lz



1 Mercantile Street – Suite 520  
Worcester, MA 01608  
508.756.7717 P  
508.792.6818 F  
[www.cmrpc.org](http://www.cmrpc.org)

## CMRPC Rural Caucus Meeting

Wednesday, June 29, 2022, 6:30 pm

### Virtual Meeting Info:

Join Zoom Meeting

<https://us02web.zoom.us/j/81053207674?pwd=G7Bsx8iBo5cPncwUB1ShLbFOteNRrQ.1>

Meeting ID: 810 5320 7674

Passcode: 374004

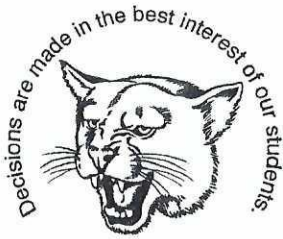
One tap mobile

+16465588656,,81053207674# US (New York)

+13017158592,,81053207674# US (Washington DC)

1. Welcome and Introductions
2. Discussion of ecotourism & rural economic development with guests  
Mackenzie May (Central Mass Grown) & Monique Messier (Discover  
Central MA)
3. Peer-to-peer sharing
4. New Business
5. Adjournment

Note: These agenda items are those reasonably anticipated by the Chairs, which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.



## QUABOAG REGIONAL SCHOOL DISTRICT

P.O. BOX 1538 • 284 OLD WEST BROOKFIELD ROAD

WARREN, MASSACHUSETTS 01083-1538

TEL. 413-436-9256

FAX 413-436-9738



Innovation Zone

**ROBERT J. BERGERON**

Director of  
Student Support Services

**SHERI L. SUMPTER**

Director of Finance  
and Operations

**BRETT M. KUSTIGIAN, Ed.D.**

Superintendent of Schools

June 18, 2022

Ms. Dawn Swistak  
Treasurer for the Town of Warren  
Charles E. Shepard Municipal Building  
48 High Street  
Warren, MA 01083

RE: REVISED Assessment Calculations for FY 2023

Dear Dawn,

At the Quaboag Regional School Committee meeting held on June 13, 2022 the committee voted to approve the FY2023 budget, resulting in the assessment calculation as detailed below.

The Fiscal Year 2023 Quaboag Regional School District budget is \$19,899,387 consisting of operational expenses of \$19,765,194 and capital debt expenses of \$134,193. The assessment to the Town of Warren consists of \$4,208,864 for operational expenses and \$134,193 for debt expenses for a total assessment of \$4,343,057. Changes in anticipated state aid and changes in spending requirements may necessitate a change to the assessment of each community.

Minimum Contribution	\$2,773,132
Above Minimum Request	523,142
Transportation Assessment	<u>912,190</u>
Total Operating Assessment	\$4,208,864
Warren Capital Assessment	<u>\$ 134,193</u>
 Total Assessment	 <u>\$4,343,057</u>

Please feel free to contact me with any questions.

Sincerely,

Camie Lamica, District Treasurer

cc: Sheri Sumpter, Director of Finance and Operations  
Town of Warren, Board of Selectmen



## Revenue and Expense Summary

		FY2022 FINAL STATE	FY2023 VOTED VERSION***	FY23 v FY22 Increase
			SC VOTED/AMENDED 6/13/2022	
REVENUES:				
Operating:				
Warren Minimum Local Contribution	\$	2,670,542	\$ 2,773,132	\$ 102,590
Above Minimum Contribution	\$	429,769	\$ 523,142	\$ 93,373
Transportation	\$	596,115	\$ 912,590	\$ 316,475
TOTAL OPERATING	\$	3,696,426	\$ 4,208,864	\$ 512,438
W Brookfield Minimum Local Contribution	\$	3,118,664	\$ 3,337,616	\$ 218,952
Above Minimum Contribution	\$	296,034	\$ 351,436	\$ 55,402
Transportation	\$	410,617	\$ 612,970	\$ 202,353
TOTAL OPERATING	\$	3,825,315	\$ 4,302,022	\$ 476,707
TOTAL TOWN OPERATING ASSESSMENTS	\$	7,521,741	\$ 8,510,886	\$ 989,145
State:				
State Aid - Chapter 70	\$	9,192,100	\$ 9,257,500	\$ 65,400
State Aid - Chapter 71 Transportation Reimb	\$	703,662	\$ 669,625	\$ (34,037)
School Choice	\$	772,069	\$ 908,673	\$ 136,604
Charter Reimbursement	\$	18,174	\$ 64,010	\$ 45,836
Miscellaneous Revenue	\$	7,000	\$ 7,000	\$ -
Total State Aid	\$	10,693,005	\$ 10,906,808	\$ 213,803
Local:				
Investment Income (Interest)	\$	15,000	\$ 15,000	\$ -
Fees (Parking)	\$	2,500	\$ 2,500	\$ -
Medicaid Reimbursement	\$	80,000	\$ 80,000	\$ -
Total Other Revenues	\$	97,500	\$ 97,500	\$ -
Other Financing Sources:				
E & D Use	\$	200,000	\$ 250,000	\$ 50,000
TOTAL OPERATING REVENUES	\$	18,512,246	\$ 19,765,194	\$ 1,252,948
Capital (Bond) payment - Warren	\$	149,048	\$ 134,193	\$ (14,855)
Capital (Bond) payment - W Brookfield	\$	-	\$ -	\$ -
TOTAL CAPITAL REVENUES	\$	149,048	\$ 134,193	\$ (14,855)
TOTAL REVENUE	\$	18,661,294	\$ 19,899,387	\$ 1,238,093
EXPENDITURES:				
Operating:				
District Wide Expenses	\$	3,940,904	\$ 3,518,723	\$ (422,181)
Warren Community Elementary School	\$	4,403,343	\$ 4,869,057	\$ 465,714
West Brookfield Elementary School	\$	2,805,804	\$ 3,190,558	\$ 384,754
Quabog Regional Middle/High School	\$	6,720,264	\$ 7,426,092	\$ 705,828
School Choice Sending Tuition	\$	586,847	\$ 628,716	\$ 41,869
Charter School Sending Tuition	\$	55,084	\$ 132,048	\$ 76,964
TOTAL OPERATING EXPENDITURES	\$	18,512,246	\$ 19,765,194	\$ 1,252,948
Debt Service:				
Principal	\$	131,821	\$ 120,391	\$ (11,430)
Interest	\$	17,227	\$ 13,802	\$ (3,425)
Total Debt Service	\$	149,048	\$ 134,193	\$ (14,855)
TOTAL EXPENDITURES	\$	18,661,294	\$ 19,899,387	\$ 1,238,093
Rural Aid Grant	\$	-	\$ 64,000	\$ 64,000
CARES Act ESSER-I Grant	\$	-	\$ -	\$ -
CARES Act ESSER-II Grant	\$	740,475	\$ -	\$ -
CARES Act ESSER-III Grant	\$	-	\$ 1,641,698	\$ 1,641,698
	\$	740,475	\$ 1,705,698	\$ 965,223
	\$	19,401,769	\$ 21,605,085	\$ 2,203,316
Total Request Above Minimum	\$	725,803	\$ 874,578	\$ 148,775
Total Warren	\$	3,845,474	\$ 4,343,057	\$ 497,583
Total West Brookfield	\$	3,825,315	\$ 4,302,022	\$ 476,707
			SC VOTED/AMENDED 6/13/2022	
% Enrollment Allocation Warren		60.68%	59.82%	
% Enrollment Allocation West Brookfield		39.32%	40.18%	

Revised 5/16/2022  
\*After WA Town Mtg

Revised 6/8/2022  
\*After WB Town Mtg

\*\*\*Based on Town of Warren voted version



# BOARD OF SELECTMEN MEETING

CHARLES E. SHEPARD MUNICIPAL BUILDING

DATE: 6/23/2022

Attendee: Joseph C. Kucinski Jr.

Attendee: Mattie M.

Attendee: Adam Lavoie

Attendee: \_\_\_\_\_

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