

TOWN OF BLACKSTONE, MASSACHUSETTS
FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023



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INDEPENDENT AUDITORS' REPORT

Honorable Board of Selectmen
Town of Blackstone, Massachusetts

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary comparison, and certain pension and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Boston, Massachusetts
October 8, 2024

**TOWN OF BLACKSTONE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

As management of the Town of Blackstone, Massachusetts (Town), we offer readers of these financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2023.

Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$39,178,915 (net position).
- The Town's total net position increased \$2,513,082.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$6,460,752, or 23.1% of total general fund expenditures and transfers out.
- The Town's total net outstanding bonded debt increased by \$4,580,279 during the fiscal year.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the *basic financial statements*, which consists of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains required supplementary information in addition to the basic financial statements, consisting of the following:

1. General Fund – schedule of revenues, expenditures and changes in fund balance – non-GAAP budgetary basis - budget and actual
2. Other postemployment benefits schedules
3. Pension plan schedules

Government-wide financial statements

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

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

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

**TOWN OF BLACKSTONE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Overview of the Basic Financial Statements (Continued)

Government-wide financial statements (Continued)

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

Governmental activities include general government, public safety, education, public works, health and human services, culture and recreation and debt service (interest). Business-type activities include the Town's Sewer and Water Enterprise Fund 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds
2. Proprietary funds
3. 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 funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains many individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Investment (special revenue) and American Rescue Plan Act (special revenue) funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation titled *nonmajor governmental funds*.

**TOWN OF BLACKSTONE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Overview of the Basic Financial Statements (Continued)

Proprietary funds

The Town maintains one type of proprietary fund representing the Town's enterprise funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Sewer and Water Enterprise Fund activities.

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 programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The fiduciary funds provide information for the Town's Other Postemployment Benefits (OPEB) Trust Fund.

Notes to the basic financial statements

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

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information is the General Fund schedule of revenues, expenditures and changes in fund balance (budget and actual) and certain pension and other postemployment benefits information.

**TOWN OF BLACKSTONE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Government-Wide Financial Analysis

The following tables present current and prior year data on the government-wide financial statements.

Net position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's net position was \$39,178,915 at the close of the fiscal year, and is summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2023	2022	2023	2022	2023	2022
Assets						
Current assets	\$ 29,048,309	\$ 26,297,537	\$ 4,526,982	\$ 4,009,260	\$ 33,575,291	\$ 30,306,797
Noncurrent assets (excluding capital assets)	520,062	520,062	-	-	520,062	520,062
Capital assets (net)	17,086,805	17,707,368	21,032,485	18,792,126	38,119,290	36,499,494
Total assets	46,655,176	44,524,967	25,559,467	22,801,386	72,214,643	67,326,353
Deferred outflows of resources	2,866,784	2,566,864	278,317	206,587	3,145,101	2,773,451
Liabilities						
Current liabilities (excluding debt)	4,730,035	3,988,304	329,464	400,663	5,059,499	4,388,967
Noncurrent liabilities (excluding debt)	14,890,146	15,102,157	1,546,663	1,275,901	16,436,809	16,378,058
Current debt	1,714,378	2,002,898	1,440,806	4,459,018	3,155,184	6,461,916
Noncurrent debt	-	-	7,569,306	2,992,069	7,569,306	2,992,069
Total liabilities	21,334,559	21,093,359	10,886,239	9,127,651	32,220,798	30,221,010
Deferred inflows of resources	3,609,599	2,988,535	350,432	224,426	3,960,031	3,212,961
Net Position						
Net investment in capital assets	15,881,832	16,733,602	12,170,779	11,295,780	28,052,611	28,029,382
Restricted	2,138,428	818,291	-	-	2,138,428	818,291
Unrestricted	6,557,542	5,458,044	2,430,334	2,360,116	8,987,876	7,818,160
Total net position	<u>\$ 24,577,802</u>	<u>\$ 23,009,937</u>	<u>\$ 14,601,113</u>	<u>\$ 13,655,896</u>	<u>\$ 39,178,915</u>	<u>\$ 36,665,833</u>

The largest portion of the Town's net position reflects its net investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements, machinery and equipment, vehicles and infrastructure). These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used.

**TOWN OF BLACKSTONE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Government-Wide Financial Analysis (Continued)

Changes in net position

For the fiscal year ended June 30, 2023, the Town's total net position increased \$2,513,082, compared to an increase of \$1,979,180 in the prior fiscal year. These amounts are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2023	2022	2023	2022	2023	2022
Revenues						
<i>Program Revenues:</i>						
Charges for services	\$ 2,139,458	\$ 2,339,838	\$ 2,262,330	\$ 2,348,402	\$ 4,401,788	\$ 4,688,240
Operating grants and contributions	1,189,970	1,231,461	-	-	1,189,970	1,231,461
Capital grants and contributions	487,128	147,919	518,933	-	1,006,061	147,919
<i>General Revenues:</i>						
Real estate and personal property taxes	21,569,979	21,402,473	-	-	21,569,979	21,402,473
Motor vehicle and other excise taxes	1,336,215	1,387,559	-	-	1,336,215	1,387,559
Intergovernmental	1,624,581	1,534,723	-	-	1,624,581	1,534,723
Other	788,375	289,330	-	-	788,375	289,330
Total revenues	29,135,706	28,333,303	2,781,263	2,348,402	31,916,969	30,681,705
Expenses						
General government	3,568,378	2,907,885	-	-	3,568,378	2,907,885
Public safety	5,997,610	6,176,796	-	-	5,997,610	6,176,796
Education	12,288,051	11,850,456	-	-	12,288,051	11,850,456
Public works	3,799,908	4,191,412	-	-	3,799,908	4,191,412
Health and human services	681,090	538,135	-	-	681,090	538,135
Culture and recreation	1,097,565	1,008,577	-	-	1,097,565	1,008,577
Debt service - interest	154,496	173,847	-	-	154,496	173,847
Sewer and Water	-	-	1,816,789	1,855,417	1,816,789	1,855,417
Total expenses	27,587,098	26,847,108	1,816,789	1,855,417	29,403,887	28,702,525
Change in net assets before transfers	1,548,608	1,486,195	964,474	492,985	2,513,082	1,979,180
Transfers, net	19,257	(448,957)	(19,257)	448,957	-	-
Change in net position	1,567,865	1,037,238	945,217	941,942	2,513,082	1,979,180
Net position - beginning of year	23,009,937	21,972,699	13,655,896	12,713,954	36,665,833	34,686,653
Net position - end of year	<u>\$ 24,577,802</u>	<u>\$ 23,009,937</u>	<u>\$ 14,601,113</u>	<u>\$ 13,655,896</u>	<u>\$ 39,178,915</u>	<u>\$ 36,665,833</u>

Governmental activities increased the Town's net position by \$1,567,865, consistent with the prior year increase of \$1,037,238.

Business-type activities increased the Town's net position by \$945,217, consistent with the prior year increase of \$941,942.

**TOWN OF BLACKSTONE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Fund Financial Statement Analysis

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Town's financing requirements.

At the end of the current fiscal year, the governmental funds reported combined ending fund balances totaling \$20,726,998, an increase of \$1,749,059 in comparison with the prior year. \$5,209,389 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Restricted - \$1,499,864
- Committed - \$13,580,564
- Assigned - \$437,181

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund totaled \$6,460,752, while total fund balance was \$11,826,320. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. Unassigned fund balance represents 23.1% of total General Fund expenditures and transfers out, while total fund balance represents 42.2% of that same amount.

The fund balance of the Town's General Fund increased \$603,267 during fiscal year 2023. The Town recognized a positive budget to actual variance totaling approximately \$1,300,000.

Financial highlights of the Town's other major governmental funds are as follows:

The Capital Investment Fund (special revenue) fund balance totaled \$8,652,177 and increased \$1,238,552 during the current fiscal year. The fund recognized \$141,507 of investment income and net transfers totaled \$1,097,045.

The American Rescue Plan Act Fund (special revenue) fund balance was zero at year-end due to unearned revenue of \$2,587,559. The fund recognized \$179,871 of revenues and expenditures.

Proprietary funds

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

General Fund Budgetary Highlights

The final General Fund budgeted expenditures (including transfers out) totaled approximately \$32,200,000. During the year, revenues and other financing sources/(uses) exceeded budgetary estimates and expenditures and encumbrances and continuing appropriations were less than budgetary estimates, resulting in a positive budget to actual variance totaling approximately \$1,300,000. Encumbrances and continuing appropriations total approximately \$2,900,000 at year-end.

**TOWN OF BLACKSTONE, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Capital Assets and Debt Administration

Capital assets

The Town's capital assets for its governmental and business-type activities at the end of the fiscal year totaled \$38,119,290 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, vehicles and infrastructure. The total net increase in capital assets for the current fiscal year was \$1,619,796.

The major capital asset event that occurred during the current fiscal year were various infrastructure improvements of approximately \$2,900,000.

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$8,382,349, which is backed by the full faith and credit of the Town. The Town's total net outstanding bonded debt increased \$4,580,279 during the fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, 15 St. Paul Street, Blackstone, Massachusetts.

TOWN OF BLACKSTONE, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 16,580,725	\$ 3,557,006	\$ 20,137,731
Investments	10,273,525	-	10,273,525
Receivables, Net of Uncollectible Amounts:			
Real Estate and Personal Property Taxes	505,387	-	505,387
Tax and Utility Liens	739,936	38,580	778,516
Motor Vehicle and Other Excise Taxes	310,172	-	310,172
User Charges	638,564	931,396	1,569,960
Total Current Assets	<u>29,048,309</u>	<u>4,526,982</u>	<u>33,575,291</u>
Noncurrent Assets:			
Tax Foreclosures	520,062	-	520,062
Capital Assets not being Depreciated	4,052,592	7,006,634	11,059,226
Capital Assets, Net of Accumulated Depreciation	<u>13,034,213</u>	<u>14,025,851</u>	<u>27,060,064</u>
Total Noncurrent Assets	<u>17,606,867</u>	<u>21,032,485</u>	<u>38,639,352</u>
Total Assets	46,655,176	25,559,467	72,214,643
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	1,280,693	124,334	1,405,027
Related to Pension	1,586,091	153,983	1,740,074
Total Deferred Outflows of Resources	<u>2,866,784</u>	<u>278,317</u>	<u>3,145,101</u>
LIABILITIES			
Current Liabilities:			
Warrants Payable and Accrued Payroll	561,796	269,773	831,569
Other Liabilities	1,580,680	-	1,580,680
Unearned Revenue	2,587,559	-	2,587,559
Accrued Interest	-	59,691	59,691
Short Term Notes Payable	1,714,378	627,763	2,342,141
Bonds and Notes Payable	-	813,043	813,043
Total Current Liabilities	<u>6,444,413</u>	<u>1,770,270</u>	<u>8,214,683</u>
Noncurrent Liabilities:			
Compensated Absences	914,762	189,886	1,104,648
Net Pension Liability	11,702,842	1,136,151	12,838,993
Net OPEB Liability	2,272,542	220,626	2,493,168
Bonds and Notes Payable	-	7,569,306	7,569,306
Total Noncurrent Liabilities	<u>14,890,146</u>	<u>9,115,969</u>	<u>24,006,115</u>
Total Liabilities	21,334,559	10,886,239	32,220,798
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	2,527,983	245,425	2,773,408
Related to Pension	1,081,616	105,007	1,186,623
Total Deferred Inflows of Resources	<u>3,609,599</u>	<u>350,432</u>	<u>3,960,031</u>
NET POSITION			
Net Investment in Capital Assets	15,881,832	12,170,779	28,052,611
Restricted for:			
Other Specific Purposes	2,138,428	-	2,138,428
Unrestricted	<u>6,557,542</u>	<u>2,430,334</u>	<u>8,987,876</u>
Total Net Position	<u>\$ 24,577,802</u>	<u>\$ 14,601,113</u>	<u>\$ 39,178,915</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BLACKSTONE, MASSACHUSETTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net Expense
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 3,568,378	\$ 565,218	\$ 499,754	\$ -	\$ (2,503,406)
Public Safety	5,997,610	1,263,367	133,504	-	(4,600,739)
Education	12,288,051	-	239,289	-	(12,048,762)
Public Works	3,799,908	275,749	50,032	487,128	(2,986,999)
Health and Human Services	681,090	35,124	202,881	-	(443,085)
Culture and Recreation	1,097,565	-	64,510	-	(1,033,055)
Debt Service-Interest	154,496	-	-	-	(154,496)
Total Governmental Activities	<u>27,587,098</u>	<u>2,139,458</u>	<u>1,189,970</u>	<u>487,128</u>	<u>(23,770,542)</u>
Business-Type Activities:					
Sewer	653,520	1,095,130	-	-	441,610
Water	1,163,269	1,167,200	-	518,933	522,864
Total Business-Type Activities	<u>1,816,789</u>	<u>2,262,330</u>	<u>-</u>	<u>518,933</u>	<u>964,474</u>
Total Primary Government	<u>\$ 29,403,887</u>	<u>\$ 4,401,788</u>	<u>\$ 1,189,970</u>	<u>\$ 1,006,061</u>	<u>\$ (22,806,068)</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BLACKSTONE, MASSACHUSETTS
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
CHANGES IN NET POSITION			
Net Revenue (Expense) (From Previous Page)	\$ (23,770,542)	\$ 964,474	\$ (22,806,068)
General Revenues:			
Real Estate and Personal Property Taxes	21,569,979	-	21,569,979
Tax Liens	23,888	-	23,888
Motor Vehicle and Other Excise Taxes	1,336,215	-	1,336,215
Meals Tax	62,481	-	62,481
Penalties and Interest on Taxes	79,992	-	79,992
Grants and Contributions Not Restricted to Specific Programs	1,624,581	-	1,624,581
Unrestricted Investment Income (Loss)	294,500	-	294,500
Other	327,514	-	327,514
Transfers, Net	19,257	(19,257)	-
Total General Revenues and Transfers	<u>25,338,407</u>	<u>(19,257)</u>	<u>25,319,150</u>
CHANGE IN NET POSITION	1,567,865	945,217	2,513,082
Net Position - Beginning of Year	<u>23,009,937</u>	<u>13,655,896</u>	<u>36,665,833</u>
NET POSITION - END OF YEAR	<u>\$ 24,577,802</u>	<u>\$ 14,601,113</u>	<u>\$ 39,178,915</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BLACKSTONE, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	General	Capital Investment Fund	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 10,085,296	\$ 1,763,275	\$ 2,587,559	\$ 2,144,595	\$ 16,580,725
Investments	3,384,623	6,888,902	-	-	10,273,525
Receivables, Net of Allowance for Uncollectible Amounts:					
Real Estate and Personal Property Taxes	505,387	-	-	-	505,387
Tax Liens	739,936	-	-	-	739,936
Motor Vehicle and Other Excise Taxes	310,172	-	-	-	310,172
User Charges	-	-	-	638,564	638,564
Tax Foreclosures	520,062	-	-	-	520,062
 Total Assets	 <u>\$ 15,545,476</u>	 <u>\$ 8,652,177</u>	 <u>\$ 2,587,559</u>	 <u>\$ 2,783,159</u>	 <u>\$ 29,568,371</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Warrants Payable and Accrued Payroll	\$ 380,078	\$ -	\$ -	\$ 181,716	\$ 561,794
Other Liabilities	1,580,681	-	-	-	1,580,681
Unearned Revenue	-	-	2,587,559	-	2,587,559
Short-Term Notes Payable	-	-	-	1,714,378	1,714,378
Total Liabilities	<u>1,960,759</u>	<u>-</u>	<u>2,587,559</u>	<u>1,896,094</u>	<u>6,444,412</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	<u>1,758,397</u>	<u>-</u>	<u>-</u>	<u>638,564</u>	<u>2,396,961</u>
FUND BALANCES					
Restricted	-	-	-	1,499,864	1,499,864
Committed	4,928,387	8,652,177	-	-	13,580,564
Assigned	437,181	-	-	-	437,181
Unassigned	6,460,752	-	-	(1,251,363)	5,209,389
Total Fund Balances	<u>11,826,320</u>	<u>8,652,177</u>	<u>-</u>	<u>248,501</u>	<u>20,726,998</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 15,545,476</u>	 <u>\$ 8,652,177</u>	 <u>\$ 2,587,559</u>	 <u>\$ 2,783,159</u>	 <u>\$ 29,568,371</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BLACKSTONE, MASSACHUSETTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total Governmental Fund Balances	\$ 20,726,998
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	17,086,805
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	2,396,961
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Compensated Absences	(914,762)
Net Pension Liability	(11,702,842)
Net OPEB Liability	(2,272,542)
In the statement of net position, deferred outflows and inflows of resources are reported for amounts related to OPEB. This amount represents the net deferrals.	(1,247,291)
In the statement of net position, deferred outflows and inflows of resources are reported for amounts related to pensions. This amount represents the net deferrals.	<u>504,475</u>
Net Position of Governmental Activities	<u><u>\$ 24,577,802</u></u>

See accompanying Notes to Basic Financial Statements.

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

	General	Capital Investment Fund	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real Estate and Personal Property Taxes	\$ 21,432,361	\$ -	\$ -	\$ -	\$ 21,432,361
Motor Vehicle and Other Excise Taxes	1,380,326	-	-	-	1,380,326
Meals Tax	62,481	-	-	-	62,481
Tax Liens	23,888	-	-	-	23,888
Fees and Rentals	-	-	-	457,644	457,644
Intergovernmental	2,006,638	-	179,871	902,687	3,089,196
Penalties and Interest on Taxes	79,992	-	-	-	79,992
Licenses and Permits	291,602	-	-	-	291,602
Fines and Forfeitures	22,849	-	-	-	22,849
Departmental and Other	632,005	-	-	514,815	1,146,820
Special Assessments	-	-	-	449	449
Contributions	-	-	-	122,582	122,582
Investment Income (Loss)	147,754	141,507	-	5,240	294,501
Miscellaneous	147,192	-	-	180,322	327,514
Total Revenues	<u>26,227,088</u>	<u>141,507</u>	<u>179,871</u>	<u>2,183,739</u>	<u>28,732,205</u>
EXPENDITURES					
Current:					
General Government	2,466,626	-	179,871	478,195	3,124,692
Public Safety	3,944,696	-	-	788,011	4,732,707
Education	12,195,946	-	-	-	12,195,946
Public Works	2,545,795	-	-	483,733	3,029,528
Health and Human Services	474,868	-	-	55,097	529,965
Culture and Recreation	752,416	-	-	65,326	817,742
Pension Benefits	1,015,222	-	-	-	1,015,222
Employee Benefits	1,207,535	-	-	-	1,207,535
State and County Charges	49,569	-	-	-	49,569
Debt Service:					
Principal	145,000	-	-	-	145,000
Interest	154,496	-	-	-	154,496
Total Expenditures	<u>24,952,169</u>	<u>-</u>	<u>179,871</u>	<u>1,870,362</u>	<u>27,002,402</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,274,919	141,507	-	313,377	1,729,803
OTHER FINANCING SOURCES (USES)					
Transfers In	2,376,238	2,487,889	-	-	4,864,127
Transfers Out	(3,047,890)	(1,390,844)	-	(406,137)	(4,844,871)
Total Other Financing Sources (Uses)	<u>(671,652)</u>	<u>1,097,045</u>	<u>-</u>	<u>(406,137)</u>	<u>19,256</u>
NET CHANGE IN FUND BALANCES	603,267	1,238,552	-	(92,760)	1,749,059
Fund Balances - Beginning of Year	11,223,053	7,413,625	-	341,261	18,977,939
FUND BALANCES - END OF YEAR	<u>\$ 11,826,320</u>	<u>\$ 8,652,177</u>	<u>\$ -</u>	<u>\$ 248,501</u>	<u>\$ 20,726,998</u>

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,749,059
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. these amounts represent the related activity of the current period.</p>	
Capital Outlays	491,313
Depreciation	(1,111,876)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. 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 deferred inflows of resources.</p>	
	403,504
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of material premiums and discounts when debt is first issued, whereas these amounts are amortized in the statement of activities. these amounts represent the related activity of the current period.</p>	
Bond Maturities	145,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represent the net changes:</p>	
Compensated Absences	17,258
Net Pension Liability	(1,936,651)
Net OPEB Liability	2,131,404
<p>In the statement of activities, deferred outflows and inflows of resources related to OPEB are amortized and recognized as OPEB expense. This amount represents the net change in deferred outflows and inflows of resources related to OPEB.</p>	
	(2,164,764)
<p>In the statement of activities, deferred outflows and inflows of resources related to pensions are amortized and recognized as pension expense. This amount represents the net change in deferred outflows and inflows related to pensions.</p>	
	<u>1,843,618</u>
Changes in Net Position of Governmental Activities	<u><u>\$ 1,567,865</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BLACKSTONE, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds		
	Sewer	Water	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,750,304	\$ 1,806,702	\$ 3,557,006
Receivables, Net of Allowance for Uncollectible Amounts:			
User Charges	468,107	463,289	931,396
Utility Liens	20,853	17,727	38,580
Total Current Assets	<u>2,239,264</u>	<u>2,287,718</u>	<u>4,526,982</u>
Noncurrent Assets:			
Capital Assets not being Depreciated	159,664	6,846,970	7,006,634
Capital Assets, Net of Accumulated Depreciation	6,677,122	7,348,729	14,025,851
Total Noncurrent Assets	<u>6,836,786</u>	<u>14,195,699</u>	<u>21,032,485</u>
Total Assets	<u>9,076,050</u>	<u>16,483,417</u>	<u>25,559,467</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	49,786	74,548	124,334
Related to Pension	61,658	92,325	153,983
Total Deferred Outflows of Resources	<u>111,444</u>	<u>166,873</u>	<u>278,317</u>
LIABILITIES			
Current Liabilities:			
Warrants Payable and Accrued Payroll	166,297	103,476	269,773
Accrued Interest	-	59,691	59,691
Short-Term Notes Payable	-	627,763	627,763
Long-Term Bonds and Notes Payable	417,113	395,930	813,043
Total Current Liabilities	<u>583,410</u>	<u>1,186,860</u>	<u>1,770,270</u>
Noncurrent Liabilities:			
Compensated Absences	94,943	94,943	189,886
Net Pension Liability	454,937	681,214	1,136,151
Net OPEB Liability	88,343	132,283	220,626
Long-Term Bonds and Notes Payable	1,761,191	5,808,115	7,569,306
Total Noncurrent Liabilities	<u>2,399,414</u>	<u>6,716,555</u>	<u>9,115,969</u>
Total Liabilities	<u>2,982,824</u>	<u>7,903,415</u>	<u>10,886,239</u>
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	98,273	147,152	245,425
Related to Pension	42,047	62,960	105,007
Total Deferred Inflows of Resources	<u>140,320</u>	<u>210,112</u>	<u>350,432</u>
NET POSITION			
Net Investment in Capital Assets	4,658,482	7,512,297	12,170,779
Unrestricted	1,405,868	1,024,466	2,430,334
Total Net Position	<u>\$ 6,064,350</u>	<u>\$ 8,536,763</u>	<u>\$ 14,601,113</u>

See accompanying Notes to Basic Financial Statements.

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

	Business-Type Activities - Enterprise Funds		
	Sewer	Water	Total
OPERATING REVENUES			
Charges for Services	\$ 1,095,130	\$ 1,167,200	\$ 2,262,330
OPERATING EXPENSES			
Cost of Service and Administration	430,708	754,656	1,185,364
Depreciation	222,812	336,783	559,595
Total Operating Expenses	653,520	1,091,439	1,744,959
OPERATING INCOME (LOSS)	441,610	75,761	517,371
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	-	518,933	518,933
Interest Expense	-	(71,830)	(71,830)
Total Nonoperating Revenues (Expenses), Net	-	447,103	447,103
INCOME BEFORE TRANSFERS	441,610	522,864	964,474
TRANSFERS			
Transfers In	452,113	107,888	560,001
Transfers Out	(231,946)	(347,312)	(579,258)
Total Capital Contributions and Transfers	220,167	(239,424)	(19,257)
CHANGE IN FUND NET POSITION	661,777	283,440	945,217
Fund Net Position - Beginning of Year	5,402,573	8,253,323	13,655,896
FUND NET POSITION - END OF YEAR	<u>\$ 6,064,350</u>	<u>\$ 8,536,763</u>	<u>\$ 14,601,113</u>

See accompanying Notes to Basic Financial Statements.

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

	Business-Type Activities - Enterprise Funds		
	Sewer	Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 949,741	\$ 1,054,861	\$ 2,004,602
Payments to Vendors and Employees	(169,547)	(821,669)	(991,216)
Net Cash Provided by Operating Activities	<u>780,194</u>	<u>233,192</u>	<u>1,013,386</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	452,113	107,888	560,001
Transfers Out	(231,946)	(347,312)	(579,258)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>220,167</u>	<u>(239,424)</u>	<u>(19,257)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from Debt	-	6,837,763	6,837,763
Principal Payments on Debt	(452,113)	(4,307,692)	(4,759,805)
Interest Payments on Debt	-	(12,139)	(12,139)
Acquisition and Construction of Capital Assets	(250,660)	(2,549,294)	(2,799,954)
Net Cash Used by Capital and Related Financing Activities	<u>(702,773)</u>	<u>(31,362)</u>	<u>(734,135)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	297,588	(37,594)	259,994
Cash and Cash Equivalents - Beginning of Year	<u>1,452,716</u>	<u>1,844,296</u>	<u>3,297,012</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,750,304</u>	<u>\$ 1,806,702</u>	<u>\$ 3,557,006</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 441,610	\$ 75,761	\$ 517,371
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities			
Changes in Assets and Liabilities Not Requiring Current Cash Flows:			
Depreciation	222,812	336,783	559,595
Net Pension Liability	178,591	245,631	424,222
Deferred Outflows Related to Pension	(28,207)	(39,599)	(67,806)
Deferred Inflows Related to Pension	(29,296)	(49,493)	(78,789)
Net OPEB Liability	(55,264)	(107,062)	(162,326)
Deferred Outflows Related to OPEB	(4,632)	708	(3,924)
Deferred Inflows Related to OPEB	83,037	121,758	204,795
Effect of Changes in Operating Assets and Liabilities:			
User Charges	(128,135)	(96,793)	(224,928)
Utility Liens	(17,254)	(15,546)	(32,800)
Warrants Payable	112,499	(243,389)	(130,890)
Compensated Absences	4,433	4,433	8,866
Total Adjustments	<u>338,584</u>	<u>157,431</u>	<u>496,015</u>
Net Cash from Operating Activities	<u>\$ 780,194</u>	<u>\$ 233,192</u>	<u>\$ 1,013,386</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Intergovernmental Grant	-	518,933	-

See accompanying Notes to Basic Financial Statements.

**TOWN OF BLACKSTONE, MASSACHUSETTS
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	<u>Other Postemployment Benefits Trust Fund</u>
ASSETS	
Investments:	
External Investment Pool (PRIT)	<u>\$ 2,782,026</u>
NET POSITION	
Restricted for OPEB Benefits	<u><u>\$ 2,782,026</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BLACKSTONE, MASSACHUSETTS
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023**

	<u>Other Postemployment Benefits Trust Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 386,328
Net Investment Income (Loss)	<u>147,054</u>
Total Additions	533,382
DEDUCTIONS	
Benefits	<u>136,328</u>
CHANGE IN FIDUCIARY NET POSITION	397,054
Net Position - Beginning of Year	<u>2,384,972</u>
NET POSITION - END OF YEAR	<u><u>\$ 2,782,026</u></u>

See accompanying Notes to Basic Financial Statements.

TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

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

B. Reporting Entity

The Town of Blackstone, Massachusetts (Town) is a municipal corporation that is governed by an elected Board of Selectmen.

For financial reporting purposes, the basic financial statements include all funds, organizations, agencies, boards, commissions, and institutions that are not legally separate from the Town.

The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the Town are such that exclusion would cause the Town's basic financial statements to be misleading or incomplete. There are no component units that meet the requirements for inclusion in the Town's basic financial statements.

Joint Ventures

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town participates in two joint ventures with other municipalities to pool resources and share the costs, risks, and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients. The Town is indirectly liable for the debt and other expenditures of the Blackstone-Millville Regional School District and the Blackstone Valley Regional Vocational Technical High School and is assessed annually for its share of operating and capital costs. The Town's fiscal year 2023 assessments totaled approximately \$11,500,000. Separate financial statements may be obtained by visiting the schools' websites and/or writing to the schools.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are primarily supported by user fees.

Fund Financial Statements

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

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a 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:

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

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

Except for charges between the General Fund and Enterprise Funds, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Fund Financial Statements

Governmental funds financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Revenues are considered available if they are collected within 60-days after the end of the fiscal year, with the exception of expenditure driven grants, which recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met. Investment income is susceptible to accrual.

The following major governmental funds are reported:

The *General Fund* is used to account for and report all financial resources not accounted for and reported in another fund.

The *Capital Investment Fund* is a special revenue fund used to account for funds received under an agreement with a power generator.

The *American Rescue Plan Act Fund* is a special revenue fund used to account for funds received from the American Rescue Plan Act.

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

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Capital Projects Funds are used to report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs and benefit the government or its citizenry.

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

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

The following major proprietary funds are reported:

The *Sewer Enterprise Fund* is used to account for sewer activities.

The *Water Enterprise Fund* is used to account for water activities.

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

The following fiduciary fund type is reported:

The *Other Postemployment Benefits Trust Fund* is used to account for future OPEB liabilities.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

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

Investments are carried at fair value. Fair value is based on quotations from a national securities exchange except for pooled funds, for which fair value is based on unit value reported by the funds.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate Taxes, Personal Property Taxes, and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. The tax year is from July 1 to June 30. Tax bills are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date.

Real estate tax liens are processed in accordance with Massachusetts General Law (MGL) on delinquent properties and are recorded as receivables in the fiscal year they are processed.

Motor Vehicle Excise Taxes

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

User Charges (Sewer and Water Enterprise Funds)

User charges are levied based on usage data and are subject to penalties and interest if they are not paid by the respective due date. Liens are processed in accordance with MGL and are included as a lien on the property owner's tax bill. User charges are recorded as receivables when levied.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Allowance for Uncollectible Amounts

Government-Wide and Fund Financial Statements

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Motor vehicle and other excise taxes
- User charges - ambulance

The following types of accounts receivable are secured via the lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible amounts is not reported.

- Real estate and personal property taxes and tax liens
- User charges and liens – water and sewer

H. Inventories

Government-Wide and Fund Financial Statements

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

I. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which consist of land, buildings and improvements, machinery and equipment, vehicles, and infrastructure (e.g., roads, sewer mains, and similar items), are reported in the applicable governmental or business-type activities column of the government-wide financial statements and the proprietary fund financial statements.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the acquisition value at the date of donation.

All purchases and construction costs in excess of \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

<u>Capital Assets Type</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	20 – 50 Years
Machinery and Equipment	5 -10 Years
Vehicles	5 – 7 Years
Infrastructure	20 – 50 Years

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

Government-Wide and Proprietary Fund Financial Statements (Continued)

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

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

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds.

Government-Wide Financial Statements

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

Fund Financial Statements

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

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows of Resources

Government-Wide and Fund Financial Statements

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

Deferred outflows of resources related to pensions and OPEB are reported in the government-wide and proprietary funds statements of net position. They represent deferred outflows of resources as defined and identified in GASB Statements No. 68 and 75, respectively.

M. Deferred Inflows of Resources

Government-Wide and Fund Financial Statements

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

The Town has two items that qualify for reporting in this category. They are as follows:

- *Unavailable revenue* is reported in the governmental funds balance sheet. Unavailable revenue represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting.
- *Related to pensions and OPEB* are reported in the government-wide statement of net position. They represent deferred inflows of resources as defined and identified in GASB Statements No. 68 and 75, respectively.

N. Net Position and Fund Balances

Government-Wide Financial Statements and Proprietary Fund Financial Statements (Net Position)

Net position is reported as restricted when amounts are restricted by outside parties for a specific future use. Net position has been “restricted” for the following:

Other specific purposes represent restrictions placed on assets from outside parties.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Net Position and Fund Balances (Continued)

Governmental Funds Financial Statements (Fund Balances)

The following describe the relative strength of spending constraints within fund balances:

Nonspendable — represents amounts that cannot be spent either because they are in nonspendable form (i.e., prepaid amounts) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

Restricted — represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — represents amounts that can be used only for specific purposes imposed by a formal action of Town Meeting, which is the highest level of decision-making authority for the Town. Committed amounts may be established, modified, or rescinded only through actions approved by Town Meeting.

Assigned — represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the Town's structure, only authorized assignments for noncontractual encumbrances can be made by individual department heads.

Unassigned — represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned. Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

O. Long-Term Debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statements of net position. Material bond premiums, discounts, and losses on refundings are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium/discount.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Long-Term Debt (Continued)

Governmental Funds Financial Statements

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

Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

P. Investment Income

Government-Wide and Fund Financial Statements

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the General Fund unless otherwise directed by MGL.

Q. Compensated Absences

Government-Wide and Proprietary Fund Financial Statements

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

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

Governmental Funds Financial Statements

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

R. Pensions

Government-Wide and Proprietary Fund Financial Statements

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Worcester Regional Retirement System (WRRS) and additions to/deductions from the WRRS's fiduciary net position have been determined on the same basis as they are reported by WRRS.

S. Other Postemployment Benefits

Government-Wide and Fund Financial Statements

In addition to providing pension benefits, and as more fully described in these notes to basic financial statements, the Town provides health and life insurance coverage for retirees, spouses and beneficiaries.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T Use of Estimates

Government-Wide and Fund Financial Statements

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting vote. The Town Manager and Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote and in some instances 2/3rds vote. Increases to the original budget subsequent to the approval of the annual budget require Special Town Meeting approval.

The majority of appropriations are noncontinuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year.

Generally, expenditures may not exceed the level of spending (salaries, expenses, and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated.

An annual budget is adopted for the General Fund in conformity with the guidelines described above. The final fiscal year 2023 approved budget for the General Fund authorized approximately \$32,200,000 in appropriations.

The Town Accountant's Office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system and other monthly review and reporting procedures.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

The General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Non-GAAP Budgetary Basis – Budget and Actual, presented in the accompanying Required Supplementary Information, presents comparison of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

Temporary Fund Deficits

As of June 30, 2023, there are temporary fund deficits for the Chapter 90 (\$165,302), Town Hall capital (\$424,378), Sallyport (\$340,000), Parking capital (\$233,588) and other miscellaneous funds (\$88,095), totaling approximately \$1,251,000, which will be funded in future fiscal years by bond and grant proceeds.

NOTE 3 DEPOSITS AND INVESTMENTS

The municipal finance laws of the Commonwealth authorize the Town to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. Treasury or Agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer’s investment pool – the Massachusetts Municipal Depository Trust (MMDT).

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments. The deposits and investments of the Permanent Funds and OPEB Trust Fund are held separately from other Town funds.

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town’s deposits may not be recovered. The Town’s policy limits investments to no more than 5% of a financial institution’s assets. As of June 30, 2023, approximately \$8,000,000 of the Town’s bank balance of approximately \$20,000,000 was uninsured and uncollateralized.

Investments Summary

The Town’s investments at June 30, 2023 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investment Type	Investment Maturities				Total Amount
	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years	
<u>Debt Securities:</u>					
U.S. Treasury	\$ 232,031	\$ 2,843,713	\$ -	\$ -	\$ 3,075,744
U.S. Agencies	-	514,523	-	-	514,523
Corporate Bonds	2,171,026	3,177,312	-	-	5,348,338
Other Fixed Income	85,464	-	-	-	85,464
Total Debt Securities	<u>\$ 2,488,521</u>	<u>\$ 6,535,548</u>	<u>\$ -</u>	<u>\$ -</u>	9,024,069
<u>Other Investments:</u>					
Equity					1,249,456
Total Investments					<u>\$ 10,273,525</u>

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Town has a policy to limit the risk by diversification and prudent selection of investment instruments, and choice of depository.

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk of investments. As of June 30, 2023, the Town's investments other than external investment pools was exposed to custodial credit risk.

Investments - Credit Risk of Debt Securities

Credit risk for investments is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Town's policy is to invest in instruments allowed by the municipal finance laws of the Commonwealth with an emphasis on safety, liquidity and yield. As of June 30, 2023, the Town's investments in debt securities with credit quality ratings are as follows:

Investment Type	Credit Rating				Total Amount
	AAA, A, A+, A-	BBB	BBB+	Unrated	
U.S. Treasury	\$ 3,075,744	\$ -	\$ -	\$ -	\$ 3,075,744
U.S. Agencies	514,523	-	-	-	514,523
Corporate Bonds	2,965,282	1,458,588	924,468	-	5,348,338
Other Fixed Income	-	-	-	85,464	85,464
Total Amount	<u>\$ 6,555,549</u>	<u>\$ 1,458,588</u>	<u>\$ 924,468</u>	<u>\$ 85,464</u>	<u>\$ 9,024,069</u>

Investments - Fair Value Measurements

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

The Town's fair value measurements as of June 30, 2023 are as follows:

Investment Type	Fair Value Measurements Using		Total Amount
	Level 1	Level 2	
<u>Investments by Fair Value Level:</u>			
U.S. Treasury	\$ 3,075,744	\$ -	\$ 3,075,744
U.S. Agencies	-	514,523	514,523
Corporate Bonds	-	5,348,338	5,348,338
Other Fixed Income	-	85,464	85,464
Equity	1,249,456	-	1,249,456
Total Investments by Fair Value Level	<u>\$ 4,325,200</u>	<u>\$ 5,948,325</u>	<u>\$ 10,273,525</u>

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Other Postemployment Benefits (OPEB) Fiduciary Fund

The OPEB fiduciary fund investments of \$2,782,026 consist entirely of investments with the Pension Reserves Investment Trust (PRIT), an external investment pool. PRIT investments are valued using the net asset value method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board. The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The Town does not have the ability to control any of the investment decisions relative to its funds in PRIT.

NOTE 4 ACCOUNTS RECEIVABLE

At June 30, 2023, receivables for the individual major governmental funds and nonmajor governmental and fiduciary funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Receivables:			
Real Estate and Personal			
Property Taxes	\$ 505,387	\$ -	\$ 505,387
Tax Liens	739,936	-	739,936
Motor Vehicle and Other			
Excise Taxes	471,537	(161,365)	310,172
User Charges	761,023	(122,459)	638,564
Total	<u>\$ 2,477,883</u>	<u>\$ (283,824)</u>	<u>\$ 2,194,059</u>

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

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Receivables:			
User Charges	\$ 931,396	\$ -	\$ 931,396
Utility Liens	38,580	-	38,580
Total	<u>\$ 969,976</u>	<u>\$ -</u>	<u>\$ 969,976</u>

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 4,052,592	\$ -	\$ -	\$ 4,052,592
Capital Assets Being Depreciated:				
Building and Improvements	14,371,335	28,497	-	14,399,832
Infrastructure	19,142,080	137,016	-	19,279,096
Machinery and Equipment	3,964,482	325,800	-	4,290,282
Vehicles	2,338,227	-	-	2,338,227
Total Capital Assets Being Depreciated	39,816,124	491,313	-	40,307,437
Less Accumulated Depreciation for:				
Building and Improvements	(7,905,262)	(330,579)	-	(8,235,841)
Infrastructure	(13,121,065)	(439,191)	-	(13,560,256)
Machinery and Equipment	(3,257,069)	(201,190)	-	(3,458,259)
Vehicles	(1,877,952)	(140,916)	-	(2,018,868)
Total Accumulated Depreciation	(26,161,348)	(1,111,876)	-	(27,273,224)
Total Capital Assets Being Depreciated, Net	13,654,776	(620,563)	-	13,034,213
Total Governmental Activities Capital Assets, Net	\$ 17,707,368	\$ (620,563)	\$ -	\$ 17,086,805
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 152,506	\$ -	\$ -	\$ 152,506
Construction in Progress	4,145,170	2,708,958	-	6,854,128
Total Capital Assets Not Being Depreciated	4,297,676	2,708,958	-	7,006,634
Capital Assets Being Depreciated:				
Building and Improvements	2,344,780	-	-	2,344,780
Infrastructure	22,419,364	90,996	-	22,510,360
Machinery and Equipment	1,064,365	-	-	1,064,365
Vehicles	102,522	-	-	102,522
Total Capital Assets Being Depreciated	25,931,031	90,996	-	26,022,027
Less Accumulated Depreciation for:				
Building and Improvements	(1,100,116)	(48,744)	-	(1,148,860)
Infrastructure	(9,379,335)	(457,263)	-	(9,836,598)
Machinery and Equipment	(854,608)	(53,588)	-	(908,196)
Vehicles	(102,522)	-	-	(102,522)
Total Accumulated Depreciation	(11,436,581)	(559,595)	-	(11,996,176)
Total Capital Assets Being Depreciated, Net	14,494,450	(468,599)	-	14,025,851
Total Business-Type Activities Capital Assets, Net	\$ 18,792,126	\$ 2,240,359	\$ -	\$ 21,032,485

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

General Government	\$ 122,858
Public Safety	172,573
Education	92,105
Public Works	596,175
Health and Human Services	12,029
Culture and Recreation	116,136
Total Depreciation Expense - Governmental Activities	<u>\$ 1,111,876</u>

Business-Type Activities:

Sewer	\$ 222,812
Water	336,783
Total Depreciation Expense - Business-Type Activities	<u>\$ 559,595</u>

NOTE 6 INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES

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

Transfers Out	Transfers In				Total
	General Fund	Capital Investment Fund	Sewer Enterprise Fund	Water Enterprise Fund	
General Fund	\$ -	\$ 2,487,889	\$ 452,113	\$ 107,888	\$ 3,047,890 (1)
Capital Investment Fund	1,390,844	-	-	-	1,390,844 (2)
Nonmajor Governmental Funds	406,136	-	-	-	406,136 (2)
Sewer Enterprise Fund	231,946	-	-	-	231,946 (2)
Water Enterprise Fund	347,312	-	-	-	347,312 (2)
Total	<u>\$ 2,376,238</u>	<u>\$ 2,487,889</u>	<u>\$ 452,113</u>	<u>\$ 107,888</u>	<u>\$ 5,424,128</u>

- (1) Budgeted transfers from the general fund
(2) Budgeted transfers to the general fund

NOTE 7 SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue anticipation notes (RAN) or tax anticipation notes (TAN).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BAN) or grant anticipation notes (GAN).

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 SHORT-TERM FINANCING (CONTINUED)

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the General Fund and Enterprise Funds. Details related to the short-term debt activity for the fiscal year ended June 30, 2023, is as follows:

Governmental Funds

Type	Description	Maturity Date	Interest Rate	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
BAN	Fire Truck	7/15/22	0.39 %	\$ 942,898	\$ -	\$ (942,898)	\$ -
BAN	Police Station Repairs	7/15/22	1.00 %	340,000	-	(340,000)	-
BAN	School Parking Lot	7/15/22	1.00 %	300,000	-	(300,000)	-
BAN	Building Upgrades	7/15/22	1.20 %	275,000	-	(275,000)	-
BAN	Town Hall Repairs	7/14/23	2.47 %	-	424,378	-	424,378
BAN	Building Upgrades	7/14/23	2.47 %	-	275,000	-	275,000
BAN	Police Station Repairs	7/14/23	2.47 %	-	340,000	-	340,000
BAN	School Parking Lot	7/14/23	2.47 %	-	300,000	-	300,000
BAN	Fire Truck	7/14/23	2.47 %	-	375,000	-	375,000
Total				<u>\$ 1,857,898</u>	<u>\$ 1,714,378</u>	<u>\$ (1,857,898)</u>	<u>\$ 1,714,378</u>

Business-Type Activities/ Proprietary Funds

Type	Description	Maturity Date	Interest Rate	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
BAN	Water Infrastructure	7/15/22	1.00 %	\$ 405,500	\$ -	\$ (405,500)	\$ -
BAN	Water Infrastructure	11/3/22	0.00 %	3,166,254	-	(3,166,254)	-
BAN	Water Infrastructure	5/3/23	2.62 %	222,263	-	(222,263)	-
BAN	Water Infrastructure	7/14/23	2.47 %	-	405,500	-	405,500
BAN	Water Infrastructure	7/14/23	4.75 %	-	222,263	-	222,263
Total				<u>\$ 3,794,017</u>	<u>\$ 627,763</u>	<u>\$ (3,794,017)</u>	<u>\$ 627,763</u>

NOTE 8 LONG-TERM OBLIGATIONS

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities:					
General Obligation Bonds and Notes	\$ 145,000	\$ -	\$ (145,000)	\$ -	\$ -
Compensated Absences	932,020	-	(17,258)	914,762	-
Total Governmental	1,077,020	-	(162,258)	914,762	-
Business-Type Activities:					
General Obligation Bonds and Notes	1,065,000	-	(475,000)	590,000	405,000
Direct Borrowings	2,592,070	6,210,000	(1,009,721)	7,792,349	408,043
Total Bonds and Notes Payable	3,657,070	6,210,000	(1,484,721)	8,382,349	813,043
Compensated Absences	181,020	8,866	-	189,886	-
Total Business-Type Activities	3,838,090	6,218,866	(1,484,721)	8,572,235	813,043
Total	<u>\$ 4,915,110</u>	<u>\$ 6,218,866</u>	<u>\$ (1,646,979)</u>	<u>\$ 9,486,997</u>	<u>\$ 813,043</u>

The governmental activities long-term liabilities are generally liquidated by the General Fund. Business-type activities long-term liabilities are generally liquidated by the Sewer and Water Enterprise Funds.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 LONG-TERM DEBT

Details related to the outstanding indebtedness at June 30, 2023, and the debt service requirements are as follows:

Bonds and Notes Payable - Governmental Funds

Original Issue	Project	Maturity Date	Interest Rate (%)	Outstanding - Beginning of Year	Issued	Redeemed	Outstanding - End of Year
\$ 4,198,000	General Obligation Bonds	2023	-	\$ 145,000	\$ -	\$ (145,000)	\$ -

There are no debt service requirements (gross) for principal and interest for governmental bonds and notes payable in future fiscal years as of June 30, 2023.

Bonds and Notes Payable – Business-Type Activities

Project	Maturity Date	Interest Rate (%)	Outstanding - Beginning of Year	Issued	Redeemed	Outstanding - End of Year
Sewer - General Obligation Bonds	2023	2.00-4.50	\$ 25,000	\$ -	\$ (25,000)	\$ -
Sewer - MCWT	2032	-	558,784	-	(62,692)	496,092
Sewer - General Obligation Bonds	2025	3.00-5.50	795,000	-	(310,000)	485,000
Sewer - MCWT	2045	-	1,251,633	-	(54,421)	1,197,212
Water - MCWT	2040	-	781,653	-	(72,888)	708,765
Water - General Obligation Bonds	2023	2.00-4.50	35,000	-	(35,000)	-
Water - General Obligation Bonds	2024	2.00-3.00	210,000	-	(105,000)	105,000
Water - MCWT	2043	2.00	-	6,210,000	(819,720)	5,390,280
Total Business-Type Activities			\$ 3,657,070	\$ 6,210,000	\$ (1,484,721)	\$ 8,382,349

Debt service requirements (gross) for principal and interest for business-type activities bonds and notes payable in future fiscal years are as follows:

Fiscal Year	Bonded Debt		Direct Borrowings		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 405,000	\$ 3,150	\$ 408,043	\$ 117,089	\$ 813,043	\$ 120,239
2025	185,000	1,050	412,782	103,445	597,782	104,495
2026	-	-	417,624	98,989	417,624	98,989
2027	-	-	422,571	94,437	422,571	94,437
2028	-	-	427,626	89,785	427,626	89,785
2029	-	-	432,790	85,033	432,790	85,033
2030	-	-	438,029	80,177	438,029	80,177
2031	-	-	356,383	75,216	356,383	75,216
2032	-	-	361,872	70,147	361,872	70,147
2033	-	-	338,875	64,967	338,875	64,967
2034	-	-	344,626	59,675	344,626	59,675
2035	-	-	350,501	54,268	350,501	54,268
2036	-	-	356,504	48,744	356,504	48,744
2037	-	-	362,638	43,100	362,638	43,100
2038	-	-	368,905	37,332	368,905	37,332
2039	-	-	375,308	31,440	375,308	31,440
2040	-	-	381,816	25,419	381,816	25,419
2041	-	-	368,675	19,268	368,675	19,268
2042	-	-	375,505	12,983	375,505	12,983
2043	-	-	382,484	6,561	382,484	6,561
2044	-	-	54,421	-	54,421	-
2045	-	-	54,371	-	54,371	-
Total	\$ 590,000	\$ 4,200	\$ 7,792,349	\$ 1,218,075	\$ 8,382,349	\$ 1,222,275

For direct borrowings, there are no terms specified in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 LONG-TERM DEBT (CONTINUED)

Authorized and Unissued Debt

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2023, the Town had approximately \$1,700,000 of authorized and unissued debt for water infrastructure.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information

Plan Description - The Town provides health and life insurance coverage for its retirees and their survivors (hereinafter referred to as the Plan) as a single-employer defined benefit Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a stand-alone financial report.

The number of participants as of July 1, 2020, the latest actuarial valuation, is as follows:

Active Members	73
Inactive Members Currently Receiving Benefits	15
Total	88

Benefits Provided - The contribution requirements of Plan members and the Town are established and may be amended by the Board of Selectmen. The required health insurance contribution rates (including Medicare Part B) of the Town is 50%.

Contributions - The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis and may contribute additional amounts to pre-fund benefits. The costs of administering the Plan are paid by the Town.

Rate of Return - The annual money-weighted rate of return on OPEB plan investments was 5.96%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amount actually invested.

Significant Actuarial Methods and Assumptions - The Plan's total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement date in accordance with GASB Statement No. 75:

Valuation Date:	July 1, 2022
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value
Investment Rate of Return:	6.90%
Discount Rate:	6.90%
Healthcare Trend Rate:	8% Decreasing to an Ultimate Rate of 4.1%
Inflation Rate:	2.5% per Annum
Mortality Rates:	RP-2014 Mortality Table with MP-2020 Projection

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

General Information (Continued)

Discount Rate - The discount rate used to measure the Total OPEB liability was 6.9% as of June 30, 2023, the same as the prior year. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be available to make all projected future benefit payments. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Policy - The OPEB plan's assets are managed on a total return basis with a long-term objective. The long-term real rate of return on OPEB investments was determined using the Town's investment policy.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class include in the target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Global equity	37.00%	4.72%
Core fixed income	15.00	1.74
Value-added fixed income	8.00	5.20
Private equity	16.00	7.60
Real estate	10.00	3.10
Timberland	4.00	4.40
Portfolio completion strategies	10.00	3.90
Total	<u>100.00%</u>	

Plan Reporting

Components of the Net OPEB Liability - The following table represents the components of the Plan's Net OPEB liability as of the measurement date of June 30, 2023:

Total OPEB Liability	\$ 5,275,194
Plan Fiduciary Net Position	<u>(2,782,026)</u>
Net OPEB Liability	<u>\$ 2,493,168</u>

Plan Fiduciary Net Position as % of Total OPEB Liability 52.7 %

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Plan Reporting (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the Plan, as well as what the Plan's net 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 rate:

	1% Decrease (5.9)%	Current Discount Rate (6.9)%	1% Increase (7.9)%
Net OPEB Liability	<u>\$ 3,349,006</u>	<u>\$ 2,493,168</u>	<u>\$ 1,804,147</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the Plan as well as what the Plan's net OPEB liability would be if calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than current healthcare trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	<u>\$ 1,675,046</u>	<u>\$ 2,493,168</u>	<u>\$ 3,546,090</u>

Employer Reporting

Net OPEB Liabilities - At June 30, 2023, the Town reported a net OPEB liability of \$2,493,168. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023. The following table represents the components of the Town's net OPEB liability as of the measurement date of June 30, 2023:

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance - Beginning of Year	\$ 7,171,870	\$ 2,384,972	\$ 4,786,898
Changes for the Year:			
Service Cost	249,169	-	249,169
Interest	507,348	-	507,348
Differences between Expected and Actual Experience	(2,561,975)	-	(2,561,975)
Changes of Assumptions	45,110	-	45,110
Benefit Payments	(136,328)	(136,328)	-
Employer Contributions	-	386,328	(386,328)
Net Investment Income	-	147,054	(147,054)
Net Changes	<u>(1,896,676)</u>	<u>397,054</u>	<u>(2,293,730)</u>
Balance - End of Year	<u>\$ 5,275,194</u>	<u>\$ 2,782,026</u>	<u>\$ 2,493,168</u>

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Employer Reporting (Continued)

The sensitivity of the Town's net OPEB liabilities to changes in the discount rate and healthcare trend rates is the same as the Plan's since the Town is the only employer included in the Plan.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the Town recognized OPEB expense of \$458,231. At June 30, 2023, 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	\$ 547,856	\$ (2,655,308)
Changes of Assumptions	814,120	(118,100)
Net Difference Between Projected and Actual Earnings on OPEB Trust Investments	43,051	-
Total	\$ 1,405,027	\$ (2,773,408)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2024	\$ (132,514)
2025	(148,435)
2026	(73,513)
2027	(126,335)
2028	(130,962)
Thereafter	(756,622)
Total	\$ (1,368,381)

TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 PENSION PLAN

Plan Description - Employees of the Town deemed eligible by the Worcester Regional Retirement Board are provided with pensions through the WRRS - a cost-sharing multiple-employer defined benefit pension plan administered by the Worcester Regional Retirement Board.

Membership in the WRRS is mandatory immediately upon the commencement of employment for all permanent employees (except for school department employees who serve in a teaching capacity) working a minimum of 20 hours per week. The WRRS issues a publicly available financial report that can be obtained by contacting the WRRS located in Auburn, Massachusetts.

Benefits Provided - The plan provides retirement, disability, and death benefits. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Retirement benefits are provided up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is calculated as the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent on several factors, including whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veterans' status, and group classification.

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

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLAN (CONTINUED)

Contributions - Chapter 32 of the MGL assigns authority to establish and amend contribution requirements of the plan. Active plan members contribute between 5 and 11% of their gross regular compensation. The contribution rate is based on the date plan membership commences. Members hired on or after January 1, 1979, contribute an additional 2% of annual regular compensation in excess of \$30,000. Employers are required to pay an annual actuarially determined contribution that, when combined with employee contributions, is expected to finance the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the plan's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The pension fund appropriations are allocated amongst employers based on covered payroll. Contributions to the pension plan from the Town were \$1,015,222 for the year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the Town reported a liability of \$12,838,993 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 for which procedures were used to roll forward the total pension liability to the measurement date. The Town proportion of the net pension liability is a blended rate of the proportionate share of active employer's covered payroll, direct charges for early retirement incentives, and the direct amortization of the actuarially determined net pension liability for employer members that no longer have active covered payroll.

At December 31, 2022, the Town's proportion was 1.2%, consistent with the Town's proportion at December 31, 2021.

For the year ended June 30, 2023, the Town recognized pension expense of \$1,385,882. At June 30, 2023, the Town reported deferred outflows of resources related to pensions of \$1,740,074, consisting of differences between projected and actual investment earnings (\$866,443), changes of assumptions (\$680,371) and changes in proportion (\$193,260). At June 30, 2023, the Town reported deferred inflows of resources related to pensions of \$1,186,623, consisting of differences between expected and actual experience (\$392,906) and changes in proportion (\$793,717).

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

Fiscal Year Ending June 30,	Amount
2024	\$ 110,690
2025	110,690
2026	110,690
2027	110,690
2028	110,691
Total	\$ 553,451

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLAN (CONTINUED)

Actuarial Assumptions - The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was rolled forward to December 31, 2022:

Investment rate of return:	7.25%
Inflation rate:	2.4%
Salary increases:	4.25% – 7.00%
Mortality rates:	RP-2014 Mortality Table with MP-2020 Projection

Investment Policies and Rates of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	4.74%
Core Fixed Income	15.00	2.10
Value-Added Fixed Income	8.00	5.20
Private Equity	16.00	7.60
Real Estate	10.00	3.10
Timberland	4.00	4.40
Portfolio Completion Strategies	10.00	3.90
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers 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.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Town calculated using the discount rate of 7.25%, as well as what the Town's net pension 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 rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Town's Net Pension Liability	<u>\$ 15,667,031</u>	<u>\$ 12,838,993</u>	<u>\$ 10,448,067</u>

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued WRRS financial report, which can be found at the WRRS website.

NOTE 12 FUND BALANCE

The constraints on fund balances in the Governmental Funds Balance Sheet are detailed as follows:

	<u>General</u>	<u>Capital Investment Fund</u>	<u>American Rescue Plan Act</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted:					
General Government	\$ -	\$ -	\$ -	\$ 638,208	\$ 638,208
Public Safety	-	-	-	577,091	577,091
Public Works	-	-	-	94,821	94,821
Health and Human Services	-	-	-	39,291	39,291
Culture and Recreation	-	-	-	141,613	141,613
Other	-	-	-	1,783	1,783
Subtotal - Restricted	-	-	-	1,499,864	1,499,864
Committed:					
Subsequent years' expenditures	2,457,454	-	-	-	2,457,454
Continuing appropriations	2,470,933	-	-	-	2,470,933
Capital	-	8,652,177	-	-	8,652,177
Subtotal - Committed	4,928,387	8,652,177	-	-	13,580,564
Assigned:					
Encumbrances	437,181	-	-	-	437,181
Unassigned	6,460,752	-	-	(1,251,363)	5,209,389
Total	<u>\$ 11,826,320</u>	<u>\$ 8,652,177</u>	<u>\$ -</u>	<u>\$ 248,501</u>	<u>\$ 20,726,998</u>

NOTE 13 STABILIZATION FUNDS

The Town maintains a stabilization fund established under MGL. Appropriations in and out of the stabilization fund require two-thirds vote of Town Meeting. Investment income is retained by the fund. The balance of the stabilization fund at June 30, 2023 totals approximately \$3,500,000 and is reported in the general fund as unassigned fund balance.

TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years. The Town participates in a premium-based health-care plan for its active and retired employees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

NOTE 15 CONTINGENCIES

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2023.

The Town participates in a number of federal award programs. The grant programs are subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

**TOWN OF BLACKSTONE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-GAAP BUDGETARY BASIS - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023**

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Final Budget	Actual
REVENUES				
Real Estate and Personal Property Taxes	\$ -	\$ 21,435,989	\$ 21,435,989	\$ 21,270,888
Motor Vehicle and Other Excise Taxes	-	1,210,000	1,210,000	1,266,997
Meals Tax	-	45,000	45,000	62,481
Tax Liens	-	-	-	23,888
Payments in Lieu of Taxes	-	12,000	12,000	-
Intergovernmental	-	2,027,868	2,027,868	2,006,638
Penalties and Interest on Taxes	-	125,000	125,000	79,992
Licenses and Permits	-	200,000	200,000	291,602
Fines and Forfeitures	-	9,000	9,000	22,849
Departmental and Other	-	423,000	423,000	632,005
Investment Income (Loss)	-	7,500	7,500	78,476
Miscellaneous	-	-	-	147,192
Total Revenues	-	25,495,357	25,495,357	25,883,008
EXPENDITURES				
Current:				
General Government	601,641	2,687,177	3,288,818	2,466,626
Public Safety	307,325	4,112,596	4,419,921	3,944,696
Education	75,000	12,453,791	12,528,791	12,195,946
Public Works	1,544,498	2,835,598	4,380,096	2,545,795
Health and Human Services	-	823,020	823,020	474,868
Culture and Recreation	5,696	818,125	823,821	752,416
Pension Benefits	-	1,015,222	1,015,222	1,015,222
Employee Benefits	42,199	1,275,235	1,317,434	1,207,535
State and County Charges	-	49,569	49,569	49,569
Debt Service:				
Principal	-	849,340	849,340	705,001
Interest	-	158,411	158,411	154,496
Total Expenditures	2,576,359	27,078,084	29,654,443	25,512,170
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(2,576,359)	(1,582,727)	(4,159,086)	370,838
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,686,158	2,686,158	2,376,238
Transfers Out	-	(2,558,510)	(2,558,510)	(2,527,889)
Total Other Financing Sources (Uses)	-	127,648	127,648	(151,651)
NET CHANGE IN FUND BALANCE				
	\$ (2,576,359)	\$ (1,455,079)	\$ (4,031,438)	\$ 219,187

See accompanying Notes to Required Supplementary Information.

**TOWN OF BLACKSTONE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-GAAP BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive (Negative)
REVENUES			
Real Estate and Personal Property Taxes	\$ -	\$ 21,270,888	\$ (165,101)
Motor Vehicle and Other Excise Taxes	-	1,266,997	56,997
Meals Tax	-	62,481	17,481
Tax Liens	-	23,888	23,888
Payments in Lieu of Taxes	-	-	(12,000)
Intergovernmental	-	2,006,638	(21,230)
Penalties and Interest on Taxes	-	79,992	(45,008)
Licenses and Permits	-	291,602	91,602
Fines and Forfeitures	-	22,849	13,849
Departmental and Other	-	632,005	209,005
Investment Income (Loss)	-	78,476	70,976
Miscellaneous	-	147,192	147,192
Total Revenues	-	25,883,008	387,651
EXPENDITURES			
Current:			
General Government	677,730	3,144,356	144,462
Public Safety	305,092	4,249,788	170,133
Education	75,000	12,270,946	257,845
Public Works	1,757,087	4,302,882	77,214
Health and Human Services	59,584	534,452	288,568
Culture and Recreation	26,039	778,455	45,366
Pension Benefits	-	1,015,222	-
Employee Benefits	7,582	1,215,117	102,317
State and County Charges	-	49,569	-
Debt Service:			
Principal	-	705,001	144,339
Interest	-	154,496	3,915
Total Expenditures	2,908,114	28,420,284	1,234,159
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	(2,908,114)	(2,537,276)	1,621,810
OTHER FINANCING SOURCES (USES)			
Transfers In	-	2,376,238	(309,920)
Transfers Out	-	(2,527,889)	30,621
Total Other Financing Sources (Uses)	-	(151,651)	(279,299)
NET CHANGE IN FUND BALANCE	\$ (2,908,114)	\$ (2,688,927)	\$ 1,342,511

See accompanying Notes to Required Supplementary Information.

**TOWN OF BLACKSTONE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS SCHEDULES
YEAR ENDED JUNE 30, 2023**

**SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND
RELATED RATIOS***

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service Cost	\$ 249,169	\$ 247,939	\$ 228,957	\$ 220,000	\$ 195,000	\$ 188,000	\$ 180,000
Interest	507,348	471,340	384,000	355,000	325,000	293,000	262,000
Differences Expected and Actual Experience	(2,561,975)	-	729,000	-	(580,000)	-	-
Changes of Assumptions	45,110	(141,510)	471,000	188,000	525,000	-	-
Changes in Benefit Terms	-	-	-	(121,000)	-	-	-
Benefit Payments	(136,328)	(178,856)	(148,000)	(100,000)	(65,000)	(54,000)	(31,000)
Net Change in Total OPEB Liability	(1,896,676)	398,913	1,664,957	542,000	400,000	427,000	411,000
Total OPEB Liability - Beginning of Year	7,171,870	6,772,957	5,108,000	4,566,000	4,166,000	3,739,000	3,328,000
Total OPEB Liability - End of Year (a)	<u>\$ 5,275,194</u>	<u>\$ 7,171,870</u>	<u>\$ 6,772,957</u>	<u>\$ 5,108,000</u>	<u>\$ 4,566,000</u>	<u>\$ 4,166,000</u>	<u>\$ 3,739,000</u>
Plan Fiduciary Net Position:							
Contributions - Employer	\$ 386,328	\$ 428,856	\$ 398,000	\$ 350,000	\$ 315,000	\$ 304,000	\$ 281,000
Net Investment Income	147,054	(98,166)	495,138	28,000	61,000	78,000	58,000
Benefit Payments	(136,328)	(178,856)	(148,000)	(100,000)	(65,000)	(54,000)	(31,000)
Net Change in Plan Fiduciary Net Position	397,054	151,834	745,138	278,000	311,000	328,000	308,000
Plan Fiduciary Net Position - Beginning of Year	2,384,972	2,233,138	1,488,000	1,210,000	899,000	571,000	263,000
Plan Fiduciary Net Position - End of Year (b)	<u>2,782,026</u>	<u>2,384,972</u>	<u>2,233,138</u>	<u>1,488,000</u>	<u>1,210,000</u>	<u>899,000</u>	<u>571,000</u>
Net OPEB Liability - End of Year (a) - (b)	<u>\$ 2,493,168</u>	<u>\$ 4,786,898</u>	<u>\$ 4,539,819</u>	<u>\$ 3,620,000</u>	<u>\$ 3,356,000</u>	<u>\$ 3,267,000</u>	<u>\$ 3,168,000</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.74 %	33.25 %	32.97 %	29.13 %	26.50 %	21.58 %	15.27 %
Covered Employee Payroll	<u>\$ 5,079,705</u>	<u>\$ 5,419,059</u>	<u>\$ 4,645,000</u>	<u>\$ 4,945,000</u>	<u>\$ 4,554,000</u>	<u>\$ 3,980,000</u>	<u>\$ 3,701,000</u>
Net OPEB Liability as a Percentage of Covered Employee Payroll	49.08 %	88.33 %	97.74 %	73.21 %	73.69 %	82.09 %	85.60 %

* Data is being accumulated annually to present 10 years of the reported information.

**TOWN OF BLACKSTONE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS SCHEDULES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

SCHEDULE OF EMPLOYER CONTRIBUTIONS (OPEB PLAN)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Required Contribution	\$ 528,513	\$ 510,419	\$ 454,000	\$ 434,000	\$ 402,000	\$ 378,000	\$ 435,000
Contributions in Relation to the Actuarially Required Contribution	<u>(386,328)</u>	<u>(428,856)</u>	<u>(398,000)</u>	<u>(350,000)</u>	<u>(315,000)</u>	<u>(304,000)</u>	<u>(281,000)</u>
Contribution Deficiency	<u>\$ 142,185</u>	<u>\$ 81,563</u>	<u>\$ 56,000</u>	<u>\$ 84,000</u>	<u>\$ 87,000</u>	<u>\$ 74,000</u>	<u>\$ 154,000</u>
Covered Employee Payroll	<u>\$ 5,079,705</u>	<u>\$ 5,419,059</u>	<u>\$ 4,645,000</u>	<u>\$ 4,945,000</u>	<u>\$ 4,554,000</u>	<u>\$ 3,980,000</u>	<u>\$ 3,701,000</u>
Contributions as % of Covered Employee Payroll	7.61 %	7.91 %	8.57 %	7.08 %	6.92 %	7.64 %	7.59 %

SCHEDULE OF INVESTMENT RETURNS (OPEB PLAN)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.96 %	(4.02)%	30.07 %	1.96 %	5.50 %	9.79 %	12.37 %

* Data is being accumulated annually to present 10 years of the reported information.

**TOWN OF BLACKSTONE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN SCHEDULES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

**SCHEDULE OF THE TOWN'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (WRRS)***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Town's Proportion of the Net Pension Liability	1.25 %	1.24 %	1.38 %	1.38 %	1.32 %
Town's Proportionate Share of the Net Pension Liability	\$ 12,838,993	\$ 10,478,120	\$ 12,260,000	\$ 12,282,000	\$ 11,948,000
Town's Covered Employee Payroll	\$ 4,503,114	\$ 4,098,000	\$ 4,098,000	\$ 3,806,000	\$ 4,022,000
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	285.11 %	255.69 %	299.17 %	322.70 %	297.07 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.20 %	56.20 %	50.30 %	47.40 %	43.10 %
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Town's Proportion of the Net Pension Liability	1.32 %	1.20 %	1.20 %	1.66 %	
Town's Proportionate Share of the Net Pension Liability	\$ 10,736,000	\$ 10,083,000	\$ 8,521,000	\$ 9,865,000	
Town's Covered Employee Payroll	\$ 3,862,000	\$ 3,730,000	\$ 3,312,000	\$ 3,185,000	
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	277.99 %	270.32 %	257.28 %	309.73 %	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.40 %	42.00 %	44.50 %	47.90 %	

SCHEDULE OF TOWN'S CONTRIBUTIONS (WRRS)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 1,015,222	\$ 920,201	\$ 928,000	\$ 840,000	\$ 734,000
Contributions in Relation to the Actuarially Determined Contribution	<u>(1,015,222)</u>	<u>(920,201)</u>	<u>(928,000)</u>	<u>(840,000)</u>	<u>(734,000)</u>
Contribution Excess	<u>\$ -</u>				
Covered Employee Payroll	<u>\$ 4,503,114</u>	<u>\$ 4,098,000</u>	<u>\$ 4,098,000</u>	<u>\$ 3,806,000</u>	<u>\$ 4,022,000</u>
Contributions as a Percentage of Covered Employer Payroll	22.54 %	22.45 %	22.65 %	22.07 %	18.25 %
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Actuarially Determined Contribution	\$ 666,000	\$ 584,000	\$ 540,000	\$ 655,000	
Contributions in Relation to the Actuarially Determined Contribution	<u>(666,000)</u>	<u>(584,000)</u>	<u>(540,000)</u>	<u>(655,000)</u>	
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered Employee Payroll	<u>\$ 3,862,000</u>	<u>\$ 3,730,000</u>	<u>\$ 3,312,000</u>	<u>\$ 3,185,000</u>	
Contributions as a Percentage of Covered Employer Payroll	17.24 %	15.66 %	16.30 %	20.57 %	

* Data is being accumulated annually to present 10 years of the reported information.

See accompanying Notes to Required Supplementary Information.

**TOWN OF BLACKSTONE, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023**

NOTE A BUDGETARY – U.S. GAAP RECONCILIATION

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the U.S. GAAP basis of accounting. A reconciliation of budgetary-basis to U.S. GAAP-basis results for the General Fund for the fiscal year ended June 30, 2023, is presented below:

	Revenues	Expenditures	Other Financing Sources (Uses)
Budgetary Basis as Reported on the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 25,883,008	\$ 28,420,284	\$ (151,651)
Adjustments and Reclassifications:			
To Record 60-Day Receipts	274,801	-	-
Stabilization Fund Activities	69,279	-	40,000
Debt Service Reclassifications	-	(560,001)	(560,001)
To Record Encumbrances and Continuing Appropriations	-	(2,908,114)	-
GAAP Basis as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 26,227,088	\$ 24,952,169	\$ (671,652)



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