

CITY OF WESTFIELD, MASSACHUSETTS

**Report on the Examination
Of Basic Financial Statements**

For the Year Ended June 30, 2022

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Independent Auditor's Report

To the Honorable Mayor
City of Westfield, Massachusetts

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westfield, Massachusetts, as of and for the year ended June 30, 2022, (except for the Westfield Contributory Retirement System and the Westfield Gas and Electric Light Department, which are as of and for the year ended December 31, 2021), and the related notes to the financial statements, which collectively comprise the City of Westfield, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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 City of Westfield, Massachusetts, as of June 30, 2022, (except for the Westfield Contributory Retirement System and the Westfield Gas and Electric Light Department, which are as of and for the year ended December 31, 2021), and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Westfield Gas and Electric Light Department, which is both a major fund and which represent 61 percent, 53 percent and 86 percent, respectively, of the assets, net position and operating revenues of the business-type activities as of and for the year ended December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Westfield Municipal Lighting Plant, is based solely on the report of the other auditors.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the City of Westfield, Massachusetts' internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Westfield, Massachusetts' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2023, on our consideration of the City of Westfield, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Westfield, Massachusetts' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Westfield, Massachusetts' internal control over financial reporting and compliance.

Scanlon & Associates, LLC
South Deerfield, Massachusetts

March 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Westfield (the City), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources liabilities by \$11,093,892 (net position) for the fiscal year reported. This compares to the previous year when liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$2,867,431, or an increase of \$13,961,323 (487%).
- At the close of the current fiscal year, the City's governmental funds reported total ending fund a balance of \$71,437,527, an increase of \$30,724,017 (75%) in comparison with the prior year.
- The General Fund's total fund balance increased by \$8,109,995 (31%) to \$34,176,219. The ending General fund balance is 22% of revenues and transfers in and 23% of expenditures and transfers out.
- Total liabilities of the City decreased by \$85,281,439 (14%) to \$530,253,598 during the fiscal year. This was primarily attributed to net increases in unearned revenue of \$3,094,195 and in bonds payable of \$14,216,407; and net decreases in notes payable of \$3,175,999, in the other post-employment benefit (OPEB) liability of \$77,798,094 and in the pension liability of \$23,545,265.
- The City had free cash certified by the Department of Revenue in the amount of \$12,513,913. The key factors that attributed to the free cash amount for fiscal year 2022 were unexpended/unencumbered appropriations of \$6,623,800, amount over/(under) budget – state and local receipts of \$2,445,700 and prior year free cash not appropriated of \$6,085,800.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities and deferred inflows of resources with the net 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 is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, airport, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activity includes sewer, water and gas and electric light.

The government-wide financial statements include not only the City of Westfield itself (known as the *primary government*), but also a legally separate public employee retirement system for which the City of Westfield is financially accountable. Financial information for this *component unit* is reported separately within the fiduciary fund statements.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial 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 activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City of Westfield adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The City maintains two types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water and gas and electric light activities.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The City uses internal service funds to account for municipal building insurance, unemployment, worker's compensation and health insurance. Because these services predominately benefit governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

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

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.

Financial Highlights

Statement of Net Position Highlights

	Governmental Activities		
	2022	2021	Change
Assets:			
Current assets	\$ 116,253,370	\$ 82,965,063	\$ 33,288,307
Noncurrent assets (excluding capital)	1,107,378	-	1,107,378
Capital assets	185,153,147	188,057,518	(2,904,371)
Total assets	302,513,895	271,022,581	31,491,314
Deferred Outflows of Resources	65,820,927	97,946,703	(32,125,776)
Liabilities:			
Current liabilities (excluding debt and leases)	21,669,563	18,205,429	3,464,134
Current debt and leases	5,705,168	5,869,641	(164,473)
Noncurrent liabilities (excluding debt and leases)	350,938,277	445,350,761	(94,412,484)
Noncurrent debt and leases	59,393,439	45,488,559	13,904,880
Total liabilities	437,706,447	514,914,390	(77,207,943)
Deferred Inflows of Resources	91,389,938	17,844,151	73,545,787
Net Position:			
Net investment in capital assets	122,770,826	139,641,961	(16,871,135)
Restricted	36,332,808	13,833,762	22,499,046
Unrestricted	(319,865,197)	(317,264,980)	(2,600,217)
Total net position	\$ (160,761,563)	\$ (163,789,257)	\$ 3,027,694
	Business-Type Activities		
	2022	2021	Change
Assets:			
Current assets	\$ 94,808,690	\$ 87,327,491	\$ 7,481,199
Noncurrent assets (excluding capital assets)	2,450,850	2,629,077	(178,227)
Capital assets	225,468,406	220,708,676	4,759,730
Total assets	322,727,946	310,665,244	12,062,702
Deferred Outflows of Resources	5,657,166	7,110,655	(1,453,489)
Liabilities:			
Current liabilities (excluding debt and leases)	8,867,015	8,693,483	173,532
Current debt and leases	7,913,691	10,130,494	(2,216,803)
Noncurrent liabilities (excluding debt and leases)	33,895,910	39,901,445	(6,005,535)
Noncurrent debt and leases	41,870,535	41,895,225	(24,690)
Total liabilities	92,547,151	100,620,647	(8,073,496)
Total Deferred Inflows of Resources	63,982,506	56,233,426	7,749,080
Net Position:			
Net investment in capital assets	176,304,730	169,863,146	6,441,584
Restricted	1,206,787	1,498,446	(291,659)
Unrestricted	(5,656,062)	(10,439,766)	4,783,704
Total net position	\$ 171,855,455	\$ 160,921,826	\$ 10,933,629

Financial Highlights

Statement of Activities Highlights

	Governmental Activities		
	2022	2021	Change
Program Revenues:			
Charges for services	\$ 11,974,004	\$ 11,510,736	\$ 463,268
Operating grants and contributions	72,822,208	75,173,391	(2,351,183)
Capital grants and contributions	5,660,387	5,766,894	(106,507)
General Revenues:			
Property taxes	82,348,259	79,564,959	2,783,300
Motor vehicle excise and other taxes	5,122,096	5,161,437	(39,341)
Hotel room occupancy, meals and cannabis taxes	1,417,569	1,062,758	354,811
Penalties and interest on taxes	746,082	758,428	(12,346)
Nonrestricted grants and contributions	7,145,821	7,172,284	(26,463)
Unrestricted investment income	240,658	198,286	42,372
Miscellaneous	6,030	449	5,581
Total revenues	187,483,114	186,369,622	1,113,492
Expenses:			
General government	11,093,673	11,364,621	(270,948)
Airport	4,579,862	4,902,787	(322,925)
Public safety	20,820,533	20,307,466	513,067
Public works	9,801,855	11,483,371	(1,681,516)
Education	77,952,118	74,230,969	3,721,149
Health and human services	1,979,039	1,964,646	14,393
Culture and recreation	2,798,441	2,876,589	(78,148)
Employee benefits and insurance	48,556,889	77,545,269	(28,988,380)
State assessments	6,070,350	6,151,144	(80,794)
Interest	1,115,322	1,542,194	(426,872)
Total expenses	184,768,082	212,369,056	(27,600,974)
Transfers, net	312,662	805,803	(493,141)
Change in net position	3,027,694	(25,193,631)	28,221,325
Net position - beginning of year	(163,789,257)	(138,595,626)	(25,193,631)
Net position - end of year	\$ (160,761,563)	\$ (163,789,257)	\$ 3,027,694

	Business-Type Activities		
	2022	2021	Change
Program Revenues:			
Sewer	\$ 6,456,317	\$ 5,891,700	\$ 564,617
Water	7,206,714	8,339,972	(1,133,258)
Gas and Electric Light	84,850,745	82,285,940	2,564,805
Total revenues	98,513,776	96,517,612	1,996,164
Expenses:			
Sewer	6,121,690	5,177,518	944,172
Water	7,354,059	7,234,562	119,497
Gas and Electric Light	73,788,531	73,481,157	307,374
Total expenses	87,264,280	85,893,237	1,371,043
Net (expenses) revenues	11,249,496	10,624,375	625,121
Transfers, net	(315,867)	(809,100)	493,233
Change in net position	10,933,629	9,815,275	1,118,354
Net position - beginning of year	160,921,826	151,106,551	9,815,275
Net position - end of year	\$ 171,855,455	\$ 160,921,826	\$ 10,933,629

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$11,093,892 at the close of fiscal year 2022.

Net position of \$299,075,556 represents its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position \$37,539,595, represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$325,521,259).

At the end of the current fiscal year, the City is able to report positive balances in two categories of net position and a negative balance in the unrestricted category in the governmental activities, in the business-type activities and for the government as a whole. The unrestricted net position for the governmental activities, business-type activities and government as a whole resulted in a negative balance mainly due to the accrual of the OPEB and pension liabilities that are required under GASB to be recognized in the City's financial statements. These liabilities are presented on the statement of net position.

The governmental activities net position increased by \$3,027,694 (2%) during the current fiscal year. The significant reasons for the increase in net position are attributed to increases due to the net changes in governmental funds of \$30,724,017, in the OPEB liability of \$76,442,659 and in the pension liability of \$17,773,521; and decreases resulting from the recognition of this year's changes in debt and leases of \$14,609,764, and in the deferred outflow/(inflow) of resources related to OPEB of \$93,330,932 and related to pensions of \$11,501,639.

There was an increase of \$10,933,629 (7%) in net position reported in connection with the business-type activities. Of this, there were increases of \$150,559 attributed to the sewer department, of \$309,173 attributed to the water department and of \$10,473,897 attributed to the gas and electric light department.

There was an increase of \$181,910 (1%) in net position reported in the internal service fund.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, the general fund unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$71,437,527, an increase of \$30,724,017 (75%) in comparison with the prior year.

The breakdown of the governmental funds is as follows:

- Nonspendable fund balance – \$22,170 (.1%).
- Restricted fund balance – \$35,213,113 (49.3%).
- Committed fund balance – \$2,162,818 (3.0%).
- Assigned fund balance – \$7,262,739 (10.1%).
- Unassigned fund balance – \$26,776,687 (37.5%).

Major Governmental Funds

The *General Fund* is the City's primary operating fund and the largest source of day-to-day operations. At the end of the fiscal year, the General Fund reported a total fund balance of \$34,176,219, increasing \$8,109,995 (31%) from the prior year. Of the \$34,176,219, the unassigned amount is \$26,913,480 (79%) and the assigned amount is \$7,262,739 (21%). General fund revenues were \$6,412,993 (4%) less than the prior fiscal year and expenditures also decreased by \$6,627,312 (4%). Other activities in the General Fund were net transfers in from other funds of \$865,092.

The main components of the decreases in general fund revenues as compared to the prior year are related to an increase in property taxes of \$2,759,236 (3.5%) and a decrease in intergovernmental – "on behalf" payments of \$8,754,236 (49%).

The major changes with the general fund expenditures from the prior fiscal year were as follows:

- Decrease in Employee benefits and insurance expenditures of \$6,776,120 (15%).

The *American Rescue Plan Act (ARPA) Grant* is a United States Federal Government established funding source to assist in the fighting of the coronavirus. The fund has accumulated a balance of \$26,778 due to the activity in the year. The activity in the Grant were receipts of \$934,280, expenses of \$263,362 and transfers out to the General fund of \$644,140. The City has an accumulated unearned revenue of \$7,743,784 which will be used at a later date.

The *Franklin Avenue school construction fund* is used to account for financial resources for the feasibility study of a school improvement and construction project. The fund has a balance of \$17,692,632 at the end of the fiscal year and shows an increase of \$17,793,887. This increase is attributed to receipts from the Massachusetts School Building Authority funds of \$850,413, expenditures of \$1,056,526 and the proceeds from the issuance of debt and premiums of \$18 million. The City also issued bond anticipation notes of \$180,000 which is not reflected in the Fund Balance.

Major Proprietary Funds

The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

The *Sewer Fund* is the financing and operations of the City's wastewater system. The sewer fund has accumulated a balance of \$40,029,951 and shows an increase of \$150,559 (1%) in total operations. This is the result of operating revenues exceeding operating expenditures by \$534,281, other income of \$41,000, intergovernmental revenues (Massachusetts Clean Water Trust subsidies) of \$83,220, interest expense of \$323,874 and transfers out to the general fund of \$184,068. Operating revenues increased by \$561,451 (10%) and operating expenses also increased by \$947,301 (20%) from the prior year.

The *Water Fund* is the financing and operations of the City's water system. The water fund has accumulated a balance of \$41,229,458 and shows an increase of \$309,173 (1%) in total operations. This is the result of operating revenues exceeding operating expenditures by \$250,900, other income of \$205,000, intergovernmental revenues (Massachusetts Clean Water Trust subsidies) of \$29,586, interest expense of \$632,831 and net transfers in from the general fund of \$456,518. Operating revenues decreased by \$676,451 (9%) while operating expenses increased by \$4,305 from the prior year.

The *Gas and Electric Light Department* is the financing and operations of the electric and gas plant. The Department shows an increase of \$10,473,897 (13%) in total operations. This is the result of operating revenues exceeding operating expenditures by \$10,672,059, investment income of \$54,931, other income of \$649,812, capital contributions of \$321,282, interest expense of \$635,870 and transfers out to the general fund of \$588,317. A difference in net transfers of (\$3,205) is the timing between the calendar year of the electric light business-type activity and the fiscal year of the governmental activities. Operating revenues increased by \$3,044,854 (4%) and operating expenses also increased by \$420,443 (1%) from the prior year.

Internal Service Funds

The composition of the internal service funds is as follows:

The *municipal buildings insurance fund* was established pursuant to Section 13 of Chapter 40 of the Massachusetts General Laws. The fund may be used to repair, rebuild or replace any municipal buildings or other municipal property damaged, destroyed or lost by fire, lightning, vandalism, burglary, theft or otherwise. The fund has accumulated a fund balance of \$158,726.

The *unemployment compensation fund* was established pursuant to Section 5E of Chapter 40 of the Massachusetts General Laws. The fund is to provide for the anticipated costs of funding reimbursements to the Commonwealth for unemployment compensation benefits. The fund has accumulated a fund balance of \$425,053.

The *workmen's compensation fund* was established pursuant to Section 13A of Chapter 40 of the Massachusetts General Laws. The fund has accumulated a fund balance of \$413,904.

The *health insurance claims fund* is for the City's health insurance. The fund was established on January 1, 2004. The fund has accumulated a fund balance of \$17,104,506.

The total funds and net position increased by \$181,910 (1%) in total operations. This is the result of contributions from the employees and employer of \$20,175,802, other income of \$1,609,529, expenses of \$21,915,212, interest earned of \$61,791 and transfers in from the general fund of \$250,000. Operating revenues increased by \$2,190,744 (11%) and operating expenses also increased by \$2,572,847 (13%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2022 was \$150,896,552. This was an increase of \$7,482,534 (5%) over the previous year's budget.

There was an increase of \$5,044,082 (mainly in the public works and education) between the original budget and the final amended budget. The changes are attributed to council votes during the year for various budget operating line items.

General fund expenditures were less than budgeted by \$12,986,513. Of the \$12,986,513 in under budget expenditures, \$6,362,739 has been carried over to fiscal year 2023.

A negative variance exists for intergovernmental receipts of \$177,332 as revenues did not meet budget expectations.

Overall, the variance with the final budget was a positive \$9,956,331 consisting of a revenue surplus of \$3,332,557 and an appropriation surplus of \$6,623,774.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$185,153,147 and \$225,468,406, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds included the following:

- Airport equipment purchase for \$41,526.
- Airport improvement projects for \$3,514,772.
- Police vehicle purchases for \$201,441.
- Highway vehicle and equipment purchases for \$1,388,532.
- Road and sidewalk infrastructure improvements for \$1,937,734.
- Franklin Avenue school construction for \$1,331,629.
- Other Schools' improvements for \$2,015,088.
- Parks' playground and improvements for \$555,366.

Major capital events during the current fiscal year in the business-type funds included the following:

In the sewer fund:

- Infrastructure improvements for \$99,630.

In the water fund:

- Infrastructure improvements for \$3,134,117.

Debt Administration. The City's governmental outstanding long-term debt, as of June 30, 2022, totaled \$63,169,000, of which \$2,010,000 is for building improvements, \$18,530,000 for school improvement and construction projects, \$2,400,000 for energy conservation improvements, \$408,000 for public work projects, \$605,000 for airport projects and \$39,216,000 for various other municipal purpose projects.

The City also has governmental bond anticipation notes outstanding for a total of \$295,000 for various improvements and projects.

The governmental activities have leases for various departmental vehicles and equipment. The last lease is due in 2026. The City currently owes \$1,687,109 on these leases consisting of \$1,634,607 in principal and \$52,502 in interest.

The enterprise funds outstanding long-term debt totaled \$46,242,957; of which, \$8,572,091 is sewer debt, \$19,102,909 is water debt and \$18,567,957 is gas and electric light debt (as of December 31, 2021) that are fully supported by the rates and does not rely on a general fund subsidy.

The enterprise funds also have \$3,369,001 in temporary debt outstanding consisting of projects in the water fund.

In addition, the City has a business-type leases for various vehicles and equipment. The last lease payment is due in 2025. The City currently owes \$177,951 on these leases consisting of \$172,268 in principal and \$5,683 in interest.

Please refer to notes 4G, 4J, 4K and 4L for further discussion of the major capital, lease and debt activity.

Next Year’s Annual City Council Votes

The financial statements of the City of Westfield as of June 30, 2022 do not reflect the fiscal year 2023 City Council action. The fiscal year 2023 budget was approved by the City Council on June 16, 2022. The City Council has authorized the fiscal year 2023 operating and capital budget as follows:

From raise and appropriate		\$ 142,776,724
From Income/Rates:		
Sewerage and Wastewater		
Treatment Department		7,860,174
Water Department		7,281,794
From Other Available Funds:		
Non-major Governmental Funds:		
Ambulance services	\$ 3,711,083	
Cable Access	352,364	
Community Preservation Fund	475,850	
Stormwater management	599,604	5,138,901
		<u>\$ 163,057,593</u>

Requests for Information

This financial report is designed to provide a general overview of the City of Westfield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Auditor, City Hall, 59 Court Street, Westfield, Massachusetts, 01085.

BASIC FINANCIAL STATEMENTS

**CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 104,840,383	\$ 30,794,853	\$ 135,635,236
Receivables, net of allowance for uncollectibles:			
Property Taxes	1,364,465	-	1,364,465
Tax Liens	2,025,720	-	2,025,720
Excise Taxes	604,359	-	604,359
Departmental	1,242,075	-	1,242,075
User Charges	521,921	7,282,028	7,803,949
Due from Other Governments	3,220,221	1,112,856	4,333,077
Other	566,511	-	566,511
Leases	40,381	-	40,381
Inventory	-	6,182,823	6,182,823
Prepaid Expenses	1,314,600	236,681	1,551,281
Tax Foreclosures	512,734	-	512,734
Restricted:			
MMWEC Reserve Trust	-	36,633,402	36,633,402
Cash in Escrow	-	532,001	532,001
Cash for Connect America Fund	-	1,960,549	1,960,549
Cash for Rate Stabilization	-	7,166,419	7,166,419
Deferred Charges	-	2,907,078	2,907,078
Total current assets	<u>116,253,370</u>	<u>94,808,690</u>	<u>211,062,060</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Due from Other Governments	-	46,022	46,022
Leases	1,107,378	-	1,107,378
Other Investments	-	343,390	343,390
Cooperative Investments	-	1,048,446	1,048,446
Other	-	18,105	18,105
Regulatory Asset, net	-	994,887	994,887
Capital Assets, net of accumulated Depreciation:			
Nondepreciable	31,128,931	13,430,565	44,559,496
Depreciable	154,024,216	212,037,841	366,062,057
Total noncurrent assets	<u>186,260,525</u>	<u>227,919,256</u>	<u>414,179,781</u>
Total Assets	<u>\$ 302,513,895</u>	<u>\$ 322,727,946</u>	<u>\$ 625,241,841</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	7,130,734	2,112,994	9,243,728
Deferred Outflows Related to OPEB	55,973,907	3,544,172	59,518,079
Deferred Loss on Refunding	2,716,286	-	2,716,286
Total Deferred Outflows of Resources	<u>\$ 65,820,927</u>	<u>\$ 5,657,166</u>	<u>\$ 71,478,093</u>

The Notes to the Financial Statements are an integral part of this Statement.

(Continued)

**CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	\$ 2,637,330	\$ 7,680,532	\$ 10,317,862
Accrued Payroll	7,784,339	91,150	7,875,489
Accrued Expenses	-	465,915	465,915
Other	224,121	-	224,121
Unearned Revenue	7,743,784	-	7,743,784
Accrued Interest	403,702	218,545	622,247
Accrued Claims	1,247,338	-	1,247,338
Compensated Absences	1,628,949	410,873	2,039,822
Notes Payable	295,000	3,369,001	3,664,001
Leases Payable	572,168	78,428	650,596
Bonds Payable	4,838,000	4,466,262	9,304,262
Total current liabilities	27,374,731	16,780,706	44,155,437
NONCURRENT:			
Compensated Absences	2,946,286	2,861,326	5,807,612
Accrued Expenses	-	1,129,789	1,129,789
Connect America Fund Liability	-	1,960,549	1,960,549
Net OPEB Liability	312,451,146	17,412,711	329,863,857
Net Pension Liability	35,540,845	10,531,535	46,072,380
Leases Payable	1,062,439	93,840	1,156,279
Bonds Payable	58,331,000	41,776,695	100,107,695
Total noncurrent liabilities	410,331,716	75,766,445	486,098,161
Total Liabilities	437,706,447	92,547,151	530,253,598
DEFERRED INFLOWS OF RESOURCES			
Reserve for Rate Stabilization	-	52,170,873	52,170,873
Reserve for Energy Conservation	-	1,494,437	1,494,437
Taxes Paid in Advance	86,674	-	86,674
Deferred Inflows Related to Pensions	22,675,689	6,719,306	29,394,995
Deferred Inflows Related to OPEB	67,479,816	3,597,890	71,077,706
Deferred Inflows Related to Lease	1,147,759	-	1,147,759
Total Deferred Inflows of Resources	91,389,938	63,982,506	155,372,444
NET POSITION			
Net Investment in Capital Assets	122,770,826	176,304,730	299,075,556
Restricted for:			
Capital Projects	18,321,055	187,559	18,508,614
Federal & State Grants	4,831,485	-	4,831,485
Community Preservation	2,024,876	-	2,024,876
Permanent Funds:			
Expendable	16,031	-	16,031
Nonexpendable	22,170	-	22,170
Other Purposes	11,117,191	1,019,228	12,136,419
Unrestricted	(319,865,197)	(5,656,062)	(325,521,259)
Total Net Position	\$ (160,761,563)	\$ 171,855,455	\$ 11,093,892

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 11,093,673	\$ 1,223,921	\$ 1,962,722	\$ -	\$ (7,907,030)	\$ -	\$ (7,907,030)
Airport	4,579,862	547,810	388,365	3,448,430	(195,257)	-	(195,257)
Public Safety	20,820,533	5,562,343	897,945	-	(14,360,245)	-	(14,360,245)
Public Works	9,801,855	2,176,270	25,464	1,214,344	(6,385,777)	-	(6,385,777)
Education	77,952,118	2,117,123	54,726,692	850,413	(20,257,890)	-	(20,257,890)
Health and Human Services	1,979,039	144,896	767,954	-	(1,066,189)	-	(1,066,189)
Culture and Recreation	2,798,441	201,641	139,674	147,200	(2,309,926)	-	(2,309,926)
Employee Benefits and Insurance	48,556,889	-	13,913,392	-	(34,643,497)	-	(34,643,497)
State Assessments	6,070,350	-	-	-	(6,070,350)	-	(6,070,350)
Interest	1,115,322	-	-	-	(1,115,322)	-	(1,115,322)
Total Governmental Activities	184,768,082	11,974,004	72,822,208	5,660,387	(94,311,483)	-	(94,311,483)
Business-Type Activities:							
Sewer	6,121,690	6,332,097	83,220	41,000	-	334,627	334,627
Water	7,354,059	6,972,128	29,586	205,000	-	(147,345)	(147,345)
Gas and Electric Light	73,788,531	84,474,532	54,931	321,282	-	11,062,214	11,062,214
Total Primary Government	\$ 272,032,362	\$ 109,752,761	\$ 72,989,945	\$ 6,227,669	(94,311,483)	11,249,496	(83,061,987)
General Revenues:							
Property Taxes					82,348,259	-	82,348,259
Motor vehicle excise and other taxes					5,122,096	-	5,122,096
Hotel room occupancy, meals and cannabis taxes					1,417,569	-	1,417,569
Penalties & Interest on Taxes					746,082	-	746,082
Grants & Contributions not restricted to specific programs					7,145,821	-	7,145,821
Unrestricted Investment Income					240,658	-	240,658
Miscellaneous					6,030	-	6,030
Transfers, net					312,662	(315,867)	(3,205)
Total General Revenues and Transfers					97,339,177	(315,867)	97,023,310
Change in Net Position					3,027,694	10,933,629	13,961,323
Net Position:							
Beginning of year					(163,789,257)	160,921,826	(2,867,431)
End of year					\$ (160,761,563)	\$ 171,855,455	\$ 11,093,892

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF WESTFIELD, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	ARPA Grant	Franklin Avenue School Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 42,749,703	\$ 7,770,562	\$ 17,287,990	\$ 19,311,740	\$ 87,119,995
Receivables, net of allowance for uncollectibles:					
Property Taxes	1,350,644	-	-	13,821	1,364,465
Tax Liens	2,025,720	-	-	-	2,025,720
Excise Taxes	604,359	-	-	-	604,359
Departmental	110,859	-	-	1,131,216	1,242,075
User Charges	304,583	-	-	217,338	521,921
Due from Other Governments	616,251	-	584,642	2,019,328	3,220,221
Leases	1,147,759	-	-	-	1,147,759
Tax Foreclosures	512,734	-	-	-	512,734
Total Assets	\$ 49,422,612	\$ 7,770,562	\$ 17,872,632	\$ 22,693,443	\$ 97,759,249
Liabilities:					
Warrants and Accounts Payable	\$ 1,935,366	\$ -	\$ -	\$ 450,032	\$ 2,385,398
Accrued Payroll	7,030,129	-	-	754,210	7,784,339
Other	70,275	-	-	153,846	224,121
Unearned Revenue	-	7,743,784	-	-	7,743,784
Notes Payable	-	-	180,000	115,000	295,000
Total Liabilities	9,035,770	7,743,784	180,000	1,473,088	18,432,642
Deferred Inflows of Resources:					
Taxes Paid in Advance	86,674	-	-	-	86,674
Unavailable Revenue	4,976,190	-	-	1,678,457	6,654,647
Related to Leases	1,147,759	-	-	-	1,147,759
Total Deferred Inflows of Resources	6,210,623	-	-	1,678,457	7,889,080
Fund Balance:					
Nonspendable	-	-	-	22,170	22,170
Restricted	-	26,778	17,692,632	17,493,703	35,213,113
Committed	-	-	-	2,162,818	2,162,818
Assigned	7,262,739	-	-	-	7,262,739
Unassigned	26,913,480	-	-	(136,793)	26,776,687
Total Fund Balance	34,176,219	26,778	17,692,632	19,541,898	71,437,527
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 49,422,612	\$ 7,770,562	\$ 17,872,632	\$ 22,693,443	\$ 97,759,249

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	ARPA Grant	Franklin Avenue School Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 82,451,646	\$ -	\$ -	\$ 540,510	\$ 82,992,156
Intergovernmental	45,368,936	907,502	850,413	23,771,315	70,898,166
Excise and Other Taxes	6,598,671	-	-	-	6,598,671
Licenses, Permits, Fees	9,748,949	-	-	-	9,748,949
Charges for Services	-	-	-	6,979,115	6,979,115
Interest and Penalties on Taxes	746,082	-	-	-	746,082
Investment Income	240,658	26,778	-	10,380	277,816
Gifts and Donations	-	-	-	179,992	179,992
Other	-	-	-	61,967	61,967
Intergovernmental - "On-behalf" Payments	8,988,569	-	-	-	8,988,569
Total Revenues	154,143,511	934,280	850,413	31,543,279	187,471,483
Expenditures:					
Current:					
General Government	8,204,899	263,362	-	1,390,010	9,858,271
Airport	795,810	-	-	3,855,370	4,651,180
Public Safety	14,853,729	-	-	5,259,104	20,112,833
Public Works	7,998,339	-	-	2,601,314	10,599,653
Education	62,385,882	-	1,056,526	14,290,116	77,732,524
Health and Human Services	1,589,333	-	-	192,318	1,781,651
Culture and Recreation	1,372,508	-	-	1,180,340	2,552,848
Employee Benefits and Insurance	37,810,617	-	-	-	37,810,617
State Assessments	6,070,350	-	-	-	6,070,350
Debt Service:					
Principal	4,362,000	-	-	-	4,362,000
Interest	1,455,141	-	-	-	1,455,141
Total Expenditures	146,898,608	263,362	1,056,526	28,768,572	176,987,068
Excess of Revenues Over (Under) Expenditures	7,244,903	670,918	(206,113)	2,774,707	10,484,415
Other Financing Sources (Uses):					
Transfers In	1,170,092	-	-	55,000	1,225,092
Transfers Out	(305,000)	(644,140)	-	(213,290)	(1,162,430)
Bond Premium	-	-	345,000	233,408	578,408
Proceeds from Issuance of Bonds and Notes	-	-	17,655,000	555,000	18,210,000
Proceeds from Lease	-	-	-	1,388,532	1,388,532
Total Other Financing Sources (Uses)	865,092	(644,140)	18,000,000	2,018,650	20,239,602
Net Change in Fund Balances	8,109,995	26,778	17,793,887	4,793,357	30,724,017
Fund Balances, Beginning of Year	26,066,224	-	(101,255)	14,748,541	40,713,510
Fund Balances, End of Year	\$ 34,176,219	\$ 26,778	\$ 17,692,632	\$ 19,541,898	\$ 71,437,527

The Notes to the Financial Statements are an integral part of this Statement.

CITY OF WESTFIELD, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2022

Total Governmental Fund Balances		\$ 71,437,527
Capital Assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.		185,153,147
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		6,654,647
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.		(24,334,578)
Internal Service funds are used by management to account for Health Insurance, Workers' Compensation, Municipal Building Insurance and Unemployment Compensation activities. The assets and liabilities of the Internal Service funds are included in the Governmental activities in the Statement of Net Position.		18,102,229
Long Term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Bonds Payable	\$ (63,169,000)	
Leases Payable	(1,634,607)	
Net Other Post Employment Benefits Liability	(312,451,146)	
Net Pension Liability	(35,540,845)	
Compensated Absences	(4,575,235)	(417,370,833)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds interest is not reported until due.		<u>(403,702)</u>
Net Position of Governmental Activities		<u><u>\$ (160,761,563)</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

CITY OF WESTFIELD, MASSACHUSETTS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 30,724,017

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 are reported as depreciation expense:

Capital Outlay Purchases	\$ 10,986,088	
Depreciation	<u>(13,890,459)</u>	(2,904,371)

Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue. (50,160)

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 effect on net position:

Repayment of Debt and Lease Principal	5,215,125	
Proceeds from Issuance of Bonds and Notes	(18,210,000)	
Net Amortization of Premium from Issuance of Bonds	578,408	
Premium from the Issuance of Bonds and Notes	(578,408)	
Amortization of Deferred Net Loss on Refunding	(226,357)	
Proceeds from Lease	<u>(1,388,532)</u>	(14,609,764)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Net Change in Compensated Absences	314,685	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	(93,330,932)	
Net Change in Net Other Post Employment Benefits Liability	76,442,659	
Net Change in Net Pension Liability	17,773,521	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(11,501,639)	
Net Change in Accrued Interest on Long-Term Debt	<u>(12,232)</u>	(10,313,938)

Internal Service funds are used by management to account for Health Insurance, Workers' Compensation, Municipal Building Insurance and Unemployment Compensation activities.

The net activity of Internal Service Funds is reported with Governmental Activities		<u>181,910</u>
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Change in Net Position of Governmental Activities \$ 3,027,694

The Notes to the Financial Statements are an integral part of this Statement.

CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Amounts</u>	<u>Variance with</u>			
	<u>Carried</u>						<u>Budgetary</u>	<u>Carried</u>	<u>Final Budget</u>
	<u>Forward from</u>	<u>Original</u>	<u>Final</u>				<u>Basis</u>	<u>Forward to</u>	<u>Positive</u>
	<u>Prior Year</u>	<u>Budget</u>	<u>Budget</u>		<u>Next year</u>	<u>(Negative)</u>			
Revenues:									
Property Taxes	\$ -	\$ 81,518,018	\$ 81,518,018	\$ 82,404,846	\$ -	\$ 886,828			
Intergovernmental	-	45,546,268	45,546,268	45,368,936	-	(177,332)			
Excise and Other Taxes	-	5,559,000	5,559,000	6,598,671	-	1,039,671			
Licenses, Permits, Fees	-	8,399,805	8,399,805	9,748,949	-	1,349,144			
Interest and Penalties on Taxes	-	560,000	560,000	746,082	-	186,082			
Interest on Investments	-	150,000	150,000	198,164	-	48,164			
Total Revenues	-	141,733,091	141,733,091	145,065,648	-	3,332,557			
Expenditures:									
Current:									
General Government	330,555	8,622,784	9,418,303	8,204,899	366,575	846,829			
Airport	98,117	897,640	1,295,757	795,810	305,256	194,691			
Public Safety	243,051	15,954,047	16,588,306	14,853,729	497,537	1,237,040			
Public Works	1,336,934	7,885,099	12,390,632	7,998,339	2,702,013	1,690,280			
Education	1,437,944	64,396,647	66,534,591	62,385,882	2,317,266	1,831,443			
Health and Human Services	155	1,700,423	1,719,889	1,589,333	3,593	126,963			
Culture and Recreation	2,665	1,391,650	1,394,315	1,372,508	1,400	20,407			
Employee Benefits and Insurance	134,958	29,014,959	29,149,917	28,822,048	169,099	158,770			
State Assessments	-	6,537,048	6,537,048	6,070,350	-	466,698			
Debt Service:									
Principal	-	4,365,000	4,365,000	4,362,000	-	3,000			
Interest	-	1,502,794	1,502,794	1,455,141	-	47,653			
Total Expenditures	3,584,379	142,268,091	150,896,552	137,910,039	6,362,739	6,623,774			
Excess of Revenues Over									
(Under) Expenditures	(3,584,379)	(535,000)	(9,163,461)	7,155,609	(6,362,739)	9,956,331			
Other Financing Sources (Uses):									
Operating Transfers In	-	985,000	2,283,290	2,255,092	-	(28,198)			
Operating Transfers Out	-	(1,450,000)	(3,790,000)	(3,790,000)	-	-			
Total Other Financing Sources (Uses)	-	(465,000)	(1,506,710)	(1,534,908)	-	(28,198)			
Net Change in Budgetary Fund Balance	(3,584,379)	(1,000,000)	(10,670,171)	\$ 5,620,701	\$ (6,362,739)	\$ 9,928,133			
Other Budgetary Items:									
Free Cash and Other Reserves	-	1,000,000	7,085,792						
Prior Year Encumbrances	3,584,379	-	3,584,379						
Total Other Budgetary Items	3,584,379	1,000,000	10,670,171						
NET BUDGET	\$ -	\$ -	\$ -						

The Notes to the Financial Statements are an integral part of this Statement.

CITY OF WESTFIELD, MASSACHUSETTS
Reconciliation of the Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2022

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 145,065,648	\$ 137,910,039
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	42,494	-
Net Increase in Revenue from recording Refund Taxes Payable	43,000	-
Recognition of Intergovernmental Revenue - "on behalf payments"	8,988,569	-
Recognition of Expenditures - "on behalf payments"	-	8,988,569
Net Increase in Revenue from Recording 60-Day Receipts	3,800	-
Reported on a GAAP Basis	\$ 154,143,511	\$ 146,898,608

The Notes to the Financial Statements are an integral part of this Statement.

CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer Fund	Water Fund	Gas and Electric Light	Total	
			(as of December 31, 2021)		
ASSETS					
CURRENT:					
Cash and Cash Equivalents	\$ 3,064,691	\$ 4,659,101	\$ 23,071,061	\$ 30,794,853	\$ 17,720,388
User Charges, net of allowance	1,553,838	1,642,104	4,086,086	7,282,028	-
Due from Other Governments	559,553	553,303	-	1,112,856	-
Other Accounts Receivable	-	-	-	-	566,511
Inventory	-	-	6,182,823	6,182,823	-
Prepaid Expenses	-	-	236,681	236,681	1,314,600
Restricted and Designated:					
MMWEC Reserve Trust	-	-	36,633,402	36,633,402	-
Cash in Escrow	-	-	532,001	532,001	-
Cash for Connect America Fund	-	-	1,960,549	1,960,549	-
Cash for Rate Stabilization	-	-	7,166,419	7,166,419	-
Deferred Charges	-	-	2,907,078	2,907,078	-
Total current assets	5,178,082	6,854,508	82,776,100	94,808,690	19,601,499
NONCURRENT:					
Due from Other Governments	46,022	-	-	46,022	-
Other Investments	-	-	343,390	343,390	-
Cooperative Investments	-	-	1,048,446	1,048,446	-
Other	-	-	18,105	18,105	-
Regulatory Asset, net	-	-	994,887	994,887	-
Capital Assets, net of accumulated depreciation:					
Nondepreciable	42,705	12,196,769	1,191,091	13,430,565	-
Depreciable	47,867,410	53,762,293	110,408,138	212,037,841	-
Total noncurrent assets	47,956,137	65,959,062	114,004,057	227,919,256	-
Total Assets	53,134,219	72,813,570	196,780,157	322,727,946	19,601,499
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows Related to Pensions	173,622	313,823	1,625,549	2,112,994	-
Deferred Outflows Related to OPEB	476,949	969,587	2,097,636	3,544,172	-
Total Deferred Outflows of Resources	650,571	1,283,410	3,723,185	5,657,166	-
LIABILITIES					
CURRENT:					
Accounts Payable	258,070	836,251	6,586,211	7,680,532	251,932
Accrued Payroll	31,706	59,444	-	91,150	-
Accrued Expenses	-	-	465,915	465,915	-
Accrued Interest	80,037	138,508	-	218,545	-
Accrued Claims	-	-	-	-	1,247,338
Compensated Absences	7,162	15,737	387,974	410,873	-
Notes Payable	-	3,369,001	-	3,369,001	-
Leases Payable	34,716	43,712	-	78,428	-
Bonds Payable	1,480,277	1,447,781	1,538,204	4,466,262	-
Total current liabilities	1,891,968	5,910,434	8,978,304	16,780,706	1,499,270
NONCURRENT:					
Compensated Absences	44,985	136,035	2,680,306	2,861,326	-
Accrued Expenses	-	-	1,129,789	1,129,789	-
Connect America Fund Liability	-	-	1,960,549	1,960,549	-
Net OPEB Liability	2,662,372	5,412,320	9,338,019	17,412,711	-
Net Pension Liability	865,361	1,564,149	8,102,025	10,531,535	-
Leases Payable	71,233	22,607	-	93,840	-
Bonds Payable	7,091,814	17,655,128	17,029,753	41,776,695	-
Total noncurrent liabilities	10,735,765	24,790,239	40,240,441	75,766,445	-
Total Liabilities	12,627,733	30,700,673	49,218,745	92,547,151	1,499,270
DEFERRED INFLOWS OF RESOURCES					
Reserve for Rate Stabilization	-	-	52,170,873	52,170,873	-
Reserve for Energy Conservation	-	-	1,494,437	1,494,437	-
Deferred Inflows Related to Pensions	552,116	997,955	5,169,235	6,719,306	-
Deferred Inflows Related to OPEB	574,990	1,168,894	1,854,006	3,597,890	-
Total Deferred Inflows of Resources	1,127,106	2,166,849	60,688,551	63,982,506	-
NET POSITION					
Net Investment in Capital Assets	39,837,650	43,420,833	93,046,247	176,304,730	-
Restricted for Capital	22,290	165,269	-	187,559	-
Restricted for Other	52,489	434,738	532,001	1,019,228	-
Unrestricted	117,522	(2,791,382)	(2,982,202)	(5,656,062)	18,102,229
Total Net Position	\$ 40,029,951	\$ 41,229,458	\$ 90,596,046	\$ 171,855,455	\$ 18,102,229

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer Fund	Water Fund	Gas and Electric Light (as of December 31, 2021)	Total	
Operating Revenues:					
Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ 15,197,771
Employee Contributions	-	-	-	-	4,978,031
Charges for Services	6,332,061	6,961,245	82,168,194	95,461,500	-
Rate Stabilization Fund Transfers	-	-	(3,887,765)	(3,887,765)	-
Other	36	10,883	5,544,291	5,555,210	1,609,529
Total Operating Revenues	6,332,097	6,972,128	83,824,720	97,128,945	21,785,331
Operating Expenses:					
Salaries & Wages	887,972	1,681,143	-	2,569,115	-
Operating and Maintenance Expenses	2,512,892	2,518,494	22,950,467	27,981,853	-
Purchase Power and Gas	-	-	38,479,454	38,479,454	-
Distribution Expenses	-	-	4,079,693	4,079,693	-
Depreciation	1,355,478	1,633,697	6,054,970	9,044,145	-
Insurance and Employee Benefits	1,041,474	887,894	1,588,077	3,517,445	21,915,212
Total Operating Expenses	5,797,816	6,721,228	73,152,661	85,671,705	21,915,212
Operating Income (Loss)	534,281	250,900	10,672,059	11,457,240	(129,881)
Non-Operating Revenues (Expenses):					
Investment Income	-	-	54,931	54,931	61,791
Other	41,000	205,000	649,812	895,812	-
Intergovernmental	83,220	29,586	-	112,806	-
Capital Contributions	-	-	321,282	321,282	-
Interest Expense	(323,874)	(632,831)	(635,870)	(1,592,575)	-
Total Non-Operating Revenues (Expenses)	(199,654)	(398,245)	390,155	(207,744)	61,791
Income (Loss) Before Operating Transfers	334,627	(147,345)	11,062,214	11,249,496	(68,090)
Operating Transfers:					
Transfer In	-	644,140	-	644,140	250,000
Transfers Out	(184,068)	(187,622)	(588,317)	(960,007)	-
Total Operating Transfers	(184,068)	456,518	(588,317)	(315,867)	250,000
Change in Net Position	150,559	309,173	10,473,897	10,933,629	181,910
Net Position at Beginning of Year	39,879,392	40,920,285	80,122,149	160,921,826	17,920,319
Net Position at End of Year	\$ 40,029,951	\$ 41,229,458	\$ 90,596,046	\$ 171,855,455	\$ 18,102,229

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer Fund	Water Fund	Gas and Electric Light (as of December 31, 2021)	Total	
Cash Flows From Operating Activities:					
Receipts from Customers and Users	\$ 6,089,141	\$ 7,026,037	\$ 85,832,195	\$ 98,947,373	\$ -
Receipts from Interfund Services Provided	-	-	-	-	20,175,802
Receipts from Other Revenues	36	10,883	-	10,919	1,402,860
Payments for Operations and Purchased Power	-	-	(35,092,616)	(35,092,616)	-
Payments for Other Operations	-	-	(14,628,375)	(14,628,375)	-
Payments to Vendors	(2,861,617)	(3,087,087)	-	(5,948,704)	-
Payments to Employees	(927,966)	(1,631,602)	(15,569,919)	(18,129,487)	-
Payments for Interfund Services Used	-	-	-	-	(21,633,736)
Net Cash Provided by (Used for) Operating Activities	2,299,594	2,318,231	20,541,285	25,159,110	(55,074)
Cash Flows from Noncapital Financing Activities:					
Transfers from (to) Other Funds	(184,068)	456,518	(578,801)	(306,351)	250,000
Cash Received for Connect America Fund	-	-	1,022,895	1,022,895	-
Non-operating Revenues	-	-	649,812	649,812	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(184,068)	456,518	1,093,906	1,366,356	250,000
Cash Flows from Capital and Related Financing Activities:					
Proceeds from the Issuance of Bonds and Notes	-	715,000	-	715,000	-
MCWT Project Drawdowns	-	985,698	-	985,698	-
Contribution in Aid of Construction	-	-	321,282	321,282	-
Intergovernmental Revenues	640,925	29,586	-	670,511	-
Other	41,000	205,000	-	246,000	-
Acquisition/Retirement of Capital Assets	(99,630)	(2,580,814)	(10,504,043)	(13,184,487)	-
Principal Payments on Bonds, Notes and Leases	(1,480,041)	(1,499,248)	(1,516,205)	(4,495,494)	-
Interest Expense	(348,297)	(649,438)	(635,870)	(1,633,605)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,246,043)	(2,794,216)	(12,334,836)	(16,375,095)	-
Cash Flows from Investing Activities:					
Investment Income	-	-	113,324	113,324	61,791
Proceeds/(Purchase) of Investments	-	-	(1,305,005)	(1,305,005)	-
Net Cash Provided by (Used for) Investing Activities	-	-	(1,191,681)	(1,191,681)	61,791
Net Increase (Decrease) in Cash and Cash Equivalents	869,483	(19,467)	8,108,674	8,958,690	256,717
Cash and Cash Equivalents at Beginning of Year	2,195,208	4,678,568	30,275,165	37,148,941	17,463,671
Cash and Cash Equivalents at End of Year	\$ 3,064,691	\$ 4,659,101	\$ 38,383,839	\$ 46,107,631	\$ 17,720,388

(Continued)

**CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	Sewer Fund	Water Fund	Gas and Electric Light (as of December 31, 2021)	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:					
Operating Income (Loss)	\$ 534,281	\$ 250,900	\$ 10,672,059	11,457,240	\$ (129,881)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,355,478	1,633,697	6,054,970	9,044,145	-
Deferred (Outflows)/Inflows of Resources Related to Pensions	268,223	503,353	2,598,311	3,369,887	-
Deferred (Outflows)/Inflows of Resources Related to OPEB	582,549	1,556,984	(433,132)	1,706,401	-
Change in Assets and Liabilities:					
Increase (Decrease) in Accounts Payable	71,014	118,914	(500,927)	(310,999)	243,382
Increase (Decrease) in Accrued Payroll	1,310	7,857	-	9,167	-
Increase (Decrease) in Accrued Expenses	-	-	102,720	102,720	-
Increase (Decrease) in Deposits	-	(5,741)	-	(5,741)	-
Increase (Decrease) in Compensated Absences	(41,304)	41,684	(45,035)	(44,655)	-
Increase (Decrease) in Net OPEB Liability	359,625	(1,040,376)	(674,684)	(1,355,435)	-
Increase (Decrease) in Net Pension Liability	(588,662)	(819,574)	(4,363,508)	(5,771,744)	-
Increase (Decrease) in Energy Conservation	-	-	238,516	238,516	-
Increase (Decrease) in Reserve for Rate Stabilization	-	-	3,887,765	3,887,765	-
Increase (Decrease) in Accrued Claims	-	-	-	-	240,071
Decrease (Increase) in Inventory	-	-	1,020,146	1,020,146	-
Decrease (Increase) in Prepaid Expenses	-	-	(51,405)	(51,405)	(44,400)
Decrease (Increase) in Deferred Charges	-	-	28,014	28,014	-
Decrease (Increase) in Due From Others	-	-	-	-	(364,246)
Decrease (Increase) in User Charges Receivable	(242,920)	70,533	2,007,475	1,835,088	-
Total Adjustments	<u>1,765,313</u>	<u>2,067,331</u>	<u>9,869,226</u>	<u>13,701,870</u>	<u>74,807</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 2,299,594</u>	<u>\$ 2,318,231</u>	<u>\$ 20,541,285</u>	<u>\$ 25,159,110</u>	<u>\$ (55,074)</u>

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Pension and Other	
	Employee Benefit Trust Funds (1)	Private Purpose Trust Funds
ASSETS		
Cash and Cash Equivalents	\$ 6,942,540	\$ 545,824
Investments	320,207,150	-
Accounts Receivable	105,174	-
Total Assets	327,254,864	545,824
LIABILITIES		
Warrants Payable	176,677	850
Accrued Payroll	-	3,207
Total Liabilities	176,677	4,057
NET POSITION		
Restricted for Pensions	320,300,072	-
Restricted for Other Postemployment Benefits	6,778,115	-
Restricted for Other Purposes	-	541,767
	\$ 327,078,187	\$ 541,767

(1) The Pension Trust Fund and the Gas and Electric Light Department OPEB Trust Fund are as of December 31, 2021.

The Notes to the Financial Statements are an integral part of this Statement.

**CITY OF WESTFIELD, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Funds
Additions		
Contributions:		
Employers	\$ 22,886,086	\$ -
Plan Members	4,504,574	-
Transfers/Reimbursements from Other Systems	816,264	-
Intergovernmental	13,731	-
Commonwealth of Massachusetts - COLA	18,661	-
Private Donations	-	15,010
Total Contributions	28,239,316	15,010
Investment Income:		
Interest & Dividends	4,413,770	56,312
Net Change in Fair Value of Investments	37,763,865	-
Total Investment Earnings	42,177,635	56,312
Less Investment Expense	(2,133,913)	-
Net Investment Earnings	40,043,722	56,312
Total Additions	68,283,038	71,322
Deductions:		
Benefit Payments to Plan Members and Beneficiaries	31,565,914	-
Refunds to Members and Transfers to Other Systems	1,103,440	-
Educational Scholarships	-	53,922
General Expenses	335,938	-
Total Deductions	33,005,292	53,922
Change in Net Position	35,277,746	17,400
Net Position at Beginning of Year	291,800,441	524,367
Net Position at End of Year	\$ 327,078,187	\$ 541,767

(1) The Pension Trust Fund and the Gas and Electric Light Department OPEB Trust Fund are as of December 31, 2021.

The Notes to the Financial Statements are an integral part of this Statement.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was incorporated in 1669 as a Town and in 1920 as a City. The City is a municipality in which citizens elect the mayor, six councilors and seven at-large councilors.

For financial reporting purposes, the City has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The City has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, the accompanying financial statements present the City of Westfield and its blended component units.

Blended component units are entities that are legally separate from the City, but are so related that they are, in substance, part of the City's operations and so data from these units and are combined with the primary government. The following component unit is blended within the primary government in the fiduciary funds:

The Westfield Contributory Retirement System (the System) was established to provide retirement benefits to City employees, the City Housing Authority employees, and their beneficiaries. The System is governed by a five-member board comprised of the City Auditor (ex-officio), two members elected by the System's participants, one member appointed by the Mayor and one member appointed by the Board members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

The system did not issue a separate audited financial statement. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 59 Court Street, Westfield, Massachusetts.

The following component unit is blended within the primary government in the proprietary funds:

The City of Westfield Gas and Electric Light Department – The condensed financial statements of the City of Westfield Gas and Electric Light Department (the Department) are included in the Proprietary Fund Type column and Business-Type Activity column of the basic financial statements. The complete financial statements may be obtained from their respective administration offices at 100 Elm Street, Westfield, Massachusetts.

The City is responsible for electing/appointing the governing board of the Westfield Housing Authority and the Westfield Community Development Corporation. These related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond the City electing/appointing the board members. Audited financial statements are available from the respective organizations. Descriptions of these related organizations follow:

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Westfield Housing Authority - A public housing agency that provides housing assistance to eligible and qualified low and moderate income families, the elderly, and handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The City has no significant influence over management, budget, or policies of the authority.

Westfield Community Development Corporation – A nonprofit organization that promotes economic development in the City. The organization is incorporated as a nonprofit organization and was organized under Section 501 of the Internal Revenue Service. The City has no significant influence over management, budget, or policies of the organization.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements

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

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

Fund financial statements

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

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustment necessary to reconcile ending net position and the change in net position.

Major Fund Criteria

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

- If the total assets, liabilities, revenues or expenditures/expenses of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds),

and

- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental funds are at least 5 percent of the corresponding element for all governmental funds combined.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

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

Proprietary and fiduciary funds are reported by fund type.

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

Government-wide financial statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported.

Fund financial statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under the modified accrual basis concept, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to be used to pay current liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *american rescue plan act (ARPA) grant* is a United States Federal Government established funding source to assist in the fighting of the coronavirus.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The *Franklin Avenue school construction fund* is used to account for financial resources for the feasibility study of a school improvement and construction project.

The City reports the following major proprietary funds:

The *sewer fund* is used to account for the sewer activities.

The *water fund* is used to account for the water activities.

The *gas and electric light fund* is used to account for activities of the City's gas and electric distribution operations.

The *internal service fund* is used to account for the activity in self-insurance funds.

The non-major governmental fund consists of other special revenue, capital projects, and permanent funds that are aggregated and presented in the *non-major governmental funds'* column on the governmental funds' financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds).

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

Additionally, the City reports the following fund types:

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

The *Westfield Employees Retirement System Pension trust fund* is used to account for the activities of the System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries.

The *Other Post Employment Benefit (OPEB) Trust Funds (Gas and Electric Light and the City)* are used to account for the assets held by the City and the Gas and Electric Light Departments (as of December 31, 2021) in trust for the payment of future retiree health insurance benefits. The assets of the OPEB Trust Funds cannot be used to support the City's or the Gas and Electric Departments' operations.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Cash Equivalents

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. 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. The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

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

Investment income from proprietary funds is maintained in those funds.

E. Restricted and Designated Assets

Restricted and designated assets in the Gas and Electric Light Department; cash, cash equivalents and investments, which are restricted under the terms of legislation, certain agreements for payments to third parties or Municipal Light Board actions limiting the use of such funds, are included as restricted or designated assets. When the Department restricts funds for a specific purpose, and both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources where required, then unrestricted resources as they are needed. Please refer to Note 4E for further discussion.

F. Cash in Escrow

As a requirement of the related ground lease (note 5C), the Cooperative has an escrow agreement with the Town of Southwick, Massachusetts. The interest-bearing escrow account is considered security for the Cooperative's lease payments and compliance with all of the terms, conditions, provisions, and obligations of a lease agreement. Interest earned on this account must remain in the account and be used to offset future lease payments.

G. Investments

The City maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

CITY OF WESTFIELD, MASSACHUSETTS
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The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool. Additional investment disclosures are presented in these Notes.

Investments in the Westfield Contributory Retirement System consist of marketable securities, bonds and short-term money market investments. All investments are carried at fair market value.

H. Receivables

The recognition of revenues related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

Property Taxes, Tax Liens and Tax Foreclosures

Property taxes are based on assessments as of January 1, 2021 and include betterments, special assessments and liens. Taxes are used to finance the operations of the City for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The City has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the City sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The City has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The City mailed preliminary tax bills for the fiscal year 2022 in June 30, 2021 and September 30, 2021, that were due on August 3, 2021 and November 2, 2021 and actual bills on December 31, 2021 and March 31, 2022, that were due on February 1, 2022, and May 3, 2022, respectively.

CITY OF WESTFIELD, MASSACHUSETTS
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The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a City.

The legal levy limit under Proposition 2 1/2 for fiscal year 2022 is \$90,147,758.

The total amount raised by taxation was \$82,080,491.

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

Excise Taxes

Excise taxes consist of motor vehicle excise taxes. Excise taxes are assessed annually for each vehicle registered in the City 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 market value of those vehicles. The tax calculation is the fair market value of the vehicle multiplied by the \$25 per \$1,000 of value.

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

Departmental

Departmental receivables consist primarily of ambulance, Community Development Office loan programs, police off-duty, vocational high school, ordinance violations among others and are recorded as receivables in the fiscal year.

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

User Charges

User charges consist of solid waste and stormwater in the governmental activities, and water, sewer and gas and electric light in the business-type funds. These charges are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer liens are processed each year and are included as a lien on the property owner's tax bill. Water and sewer charges and liens are recorded as receivables in the fiscal year of the levy.

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

Due from Other Governments

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

Lease Receivable

Lease receivable consists of airport buildings and land in the governmental activities. The lease receivable is measured at the present value of lease payments expected to be received during the lease term.

CITY OF WESTFIELD, MASSACHUSETTS
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This receivable is considered 100% collectible and, therefore, does not report an allowance for uncollectibles.

Accounts Receivable

In the fiduciary funds, the retirement system accounts receivable consists of miscellaneous income, member deductions, make up payments and redeposits. Additionally, in the governmental activities internal service funds, other accounts receivable consists of stop loss insurance reimbursements and quarterly claims settlements.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

I. Inventory

Inventory in the business-type activities is valued at the lower of cost (weighted average method) or market. Materials and supplies consist primarily of pipe, valves, utility poles, wire, meters, transformers and cable.

J. Other Investments

Other investments consist of the Gas and Electric Light Department’s equity in New England Hydro–Transmission Electric Company (Hydro-Quebec). Restricted assets of the MMWEC Reserve Trust and Other – Investments at December 31, 2021 consist of common stock owned by the Department as follows:

Hydro-Quebec Phase II	\$	33,589
Public Utility Mutual Insurance Company		309,801
	\$	343,390

The Department has joined with other utilities on committing to equity sponsorship of a project known as Hydro-Quebec Phase II. The Department owns .2554% of the Companies’ outstanding common stock. The Department uses the equity method of accounting for the investment because the investment is under common control with other municipal utilities. Under the equity method, investments are recorded at cost and increased or decreased by the Department’s pro-rata share of earnings or losses and distributions. Investment income is recorded as earned.

In addition, the Department joined with other utilities to invest in Public Utility Mutual Insurance Company (“PUMIC”). PUMIC provides general insurance to members of the Public Utilities Risk Management Association. The Department invested \$266,000 in 1999 and is a founding member.

In 2021, the Public Utilities Risk Management Association (PURMA) has created a Captive Insurance Cell with the objective of insuring a portion of members property insurance exposure. Public Energy Insurance Company (PEIC) is an incorporated cell under PURMA’s Sponsored Captive. A Captive is an insurance company owned and controlled by its insureds. The Department invested \$43,801 in 2021.

K. Deferred Charges

Under the terms of the Gas and Electric Department’s member agreement with Massachusetts Municipal Wholesale Electric Company (MMWEC), the Department is required to prepay various operating expenses, working capital requirements, and/or research expenditures for various projects that are operational, under construction, or in the planning stages. The Department charges these items to expense when MMWEC indicates that the expense has been incurred.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

L. Capital Assets

Capital assets, which include land, construction in progress, buildings, machinery and equipment, and infrastructure assets (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value.

All purchase 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 of fixed assets are as follows:

Capital Asset Type	Years
Buildings and renovations	20-50
Machinery, equipment and other	3-10
Infrastructure	20-50

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.

Plant investment. The Gas and Electric Light Department's investment in capital assets is stated at cost; which includes material and labor. Maintenance and repairs are charged to operating expense as incurred, and significant renewals and betterments are capitalized. As assets are retired or otherwise disposed of, the Department and the Cooperative calculate or estimate the related cost and accumulated depreciation; which are removed from the accounts. Any profit or loss on disposition is credited or charged to income in the year retired. The Department and the Cooperative evaluated the fair value of its assets and no adjustment for impairment was deemed necessary by management. The Department and Cooperative capitalize additions to the plant with an original cost of \$1,000 or more.

Depreciation for the Gas and Electric Light Department is computed using the straight-line method at a composite rate as prescribed by the Massachusetts Department of Public Utilities (DPU). Depreciation was calculated using a composite rate of 3% for the year ended December 31, 2021, with the exception of various fixed assets of the telecommunications division, for which management may estimate alternative useful lives.

M. Amortization

The Gas and Electric Light Department's Union Street regulatory asset is being amortized on a straight-line basis over 276 months. The Twiss Street regulatory asset is being amortized on a straight-line basis over 288 months.

N. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
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In the government-wide financial statements, operating 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".

In the fund financial statements, operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

O. Deferred Outflows and Inflows of Resources

Government-wide financial statements

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the items in this category are *deferred outflows related to pensions, deferred outflows related to OPEB and deferred loss on refunding*. The deferred outflows related to pensions for future pension expenses is explained in note 5F. The deferred outflows related to OPEB for future retiree health and life insurance expenses is explained in note 5G. These amounts are deferred and recognized as outflows of resources in a future period.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Department has six items, *reserve for rate stabilization, reserve for energy conservation, taxes paid in advance, deferred inflows related to pensions, deferred inflows related to OPEB and deferred inflows related to lease*, which qualify in this category. The deferred inflows related to pensions for future pension revenues is explained in note 5F. The deferred inflows related to OPEB for future retiree health and life insurance revenues is explained in note 5G. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

- **Reserve for Rate Stabilization:** The Municipal Light Board, in their capacity as the governing body for the Department, have taken various regulatory actions that result in differences between the recognition of revenues and expenses for rate-making purposes and their treatment under generally accepted accounting principles. *Rate stabilization* is intended to defer the need for future rate increases when costs exceed existing rates. Amounts may be either transferred into this fund (which reduces revenues), or amounts are transferred out of this fund (which increases revenues). Management utilizes rate stabilization funds on an event driven basis.
- **Reserve for Energy Conservation:** In the ordinary course of business, the Department will enter into energy conservation reimbursement contracts with its commercial customers. These are secured by the equipment associated with the reimbursement. Contracts with terms that range from two to four years are classified as long-term. Also, the Department enters into contracts for construction projects and for the resale of electricity. Interest receivable is recorded when earned.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
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Fund financial statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents assets recorded in the government fund financial statements but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, these items, *taxes paid in advance*, *unavailable revenue and related to leases*, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the City's property, excise taxes; departmental receipts and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

P. Net position and Fund Balances

In the Government-Wide financial statements, the difference between the City's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources represents net position. Net position displays three components – net investment in capital assets, restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" represents amounts restricted by the federal and state government for various programs.

"Community Preservation" represents amounts restricted for the purposes under the community preservation act adopted by the City.

"Permanent funds – expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Permanent funds – nonexpendable" represents amounts held in trust for which only investment earnings may be expended.

"Other purposes" represents restrictions placed on assets from outside parties.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

CITY OF WESTFIELD, MASSACHUSETTS
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The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority, which is the City Council action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit.

Assigned fund balance. This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. Department heads and City board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

Q. Long-term Debt

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

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

R. Compensated Absences

The City grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

S. Pension Benefits

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

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

T. Post Retirement Benefits

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's 65%, 80% and 85% share of insurance premiums in the general fund in the fiscal year paid.

U. Use of Estimates

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

V. Total Column

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted for the City's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The City must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non-property tax revenues estimated to be received, including available funds. Supplemental appropriations may be made from available funds after the setting of the tax rate. Appropriations may be transferred between departments with City Council approval.

The City follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

Every board and committee in charge of a department shall annually send to the Mayor an estimate, in detail, of the appropriations needed to enable the department to properly perform its duties.

The Mayor and City Auditor review the budget and submit a budget to the City Council.

The City Council receives the budget and refers it to the Finance Committee.

After reviewing with each department, the Finance Committee submits the budget to the City Council.

The budget is legally enacted by vote of the City Council prior to the end of the fiscal year.

CITY OF WESTFIELD, MASSACHUSETTS
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Massachusetts law requires cities and towns to provide for a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein"

For fiscal year 2022, the City incurred a final budget deficit of \$10,670,171 for the General Fund.

The City voted from the following sources to fund the budget during the fiscal year:

Unassigned fund balance:	
Council votes - Free cash	\$ 7,085,792
Prior year's encumbrances	3,584,379
	\$ 10,670,171

B. Deficit Fund Balances

The following funds had deficits at June 30, 2022 as measured by the balances of unreserved fund balance:

- The *roadway improvements–target* capital project fund has a deficit of \$66,061. The City has an outstanding bond anticipation note of \$115,000 for this project. The deficit will be eliminated upon the issuance of permanent debt.
- The *Community Development Block Grant* special revenue fund has a deficit of \$6,427. This deficit will be eliminated upon the receipt of additional grant funds or appropriation of funds.
- The *Federal emergency management covid-19 grant* special revenue fund has a deficit of \$64,305. The deficit will be eliminated upon the future receipt of grant funds or upon appropriation.

3. THE SOUTHWEST COOPERATIVE (THE “COOPERATIVE”)

At December 31, 2021, the Cooperative has been included in the financial statements of the City of Westfield Gas and Electric Light Department.

The Southwest Cooperative, a blended component unit of the Department, was formed in October 2006 for the sole purpose of constructing gas transmission facilities and pipelines from the supplier’s source, located in Southwick, Massachusetts, to the gas distribution system currently operated by the Department. In accordance with the by-laws of the Cooperative, a majority of its members, officers and directors will consist of members of the Department’s management. The entire capacity provided by this project is utilized by the Department. All significant intercompany accounts and transactions have been eliminated as part of the consolidation.

CITY OF WESTFIELD, MASSACHUSETTS
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Year Ended June 30, 2022

4. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits – City Financials

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2022 were \$151,531,730. Of these, \$34,904,271 are exposed to custodial credit risk as uninsured and uncollateralized.

Custodial Credit Risks – Deposits – Gas and Electric Light

Cash and cash equivalents that are presented for the gas and electric light, a business-type activity fund, are at December 31, 2021. The complete financial statements may be obtained from their respective administration offices.

Custodial Credit Risks – Deposits – Westfield Contributory Retirement System

Custodial credit risk is the risk that in the event of a bank failure, the System's deposits may not be returned. The System does not have a deposit policy for custodial credit risk. Deposits at December 31, 2021 were \$5,775,748. None are exposed to custodial credit risk as uninsured and uncollateralized.

Investment Policies – City Financials

Massachusetts General Laws, Chapter 44, Section 55 generally restrict investments of funds, except for trust funds. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposit of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust ("MMDT"), or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost.

As of June 30, 2022, the City had no investments that met the above criteria.

Investment Policies – Westfield Contributory Retirement System (The System)

Under the Public Employee's Retirement Administration Commission (PERAC) regulations, every retirement board shall file a statement of investment objectives with PERAC. Among the information to be filed are the investment policy, the rate of return expected, the expected level of risk, the asset mix, the degree of diversification, and other pertinent financial information.

The System has expended investment powers, including the ability to invest in equity securities, corporate bonds and other specified investments.

CITY OF WESTFIELD, MASSACHUSETTS
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The System also participates in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee and provides regulatory oversight. The System does not have the ability to control any of the investment decisions related to its funds in PRIT.

Specific policies for investments of funds for the System that have been approved by PERAC, are as follows:

- Equity investments shall not exceed 60% of the total book value of the portfolio at the time of purchase.
- At least 30% but no more than 80% of the total book value of the portfolio valued at market shall consist of fixed income investments with a maturity of more than one year.
- Real estate investments shall not exceed 2% of the total book value of the portfolio at the time of purchase and shall consist of real estate trusts and partnerships, provided that (a) trust participants or limited partners do not participate in the selection of trustees or general partners and should a limited partner be required to participate in the selection of a general partner, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action, and (b) such trustees or general partners retain authority in the decision making process and (c) such an investment in a trust or limited partnership result in the direct ownership of real estate or mortgage indebtedness, such shall be permitted only until such time as divestiture of said trust or limited partnership is prudent.
- Real estate investments shall not total more than \$600,000 at the time of purchase and shall consist of real estate trusts and partnerships, provided that: (a) trust participants or limited partners do not participate in the selection of trustees or general partners and should a trust participant or limited partner be required to participate in the selection of a trustee or general partner, prior to any participation by the board, the board shall consult with PERAC to determine the appropriate course of action, and (b) such trustees or general partners retain authority in the decision making process, and (c) should an investment in a trust or limited partnership result in the direct ownership of real estate or mortgage indebtedness, such shall be permitted only until such time as divestiture of said trust or limited partnership is prudent.
- Non-United States based corporations and foreign government bonds provided such securities are denominated in the United States Currency, are listed on a United States exchange or traded over the counter in the United States, and provided further that the total of such securities not exceed 10% of the market value of the portfolio.
- In accordance with PERAC Investment Guideline 99-2, the Westfield Retirement Board may invest in the Loomis Sayles Investment Trust Small Company Value Fund. Investment in this commingled fund represents a modest modification to the System's existing investment mandate with Loomis Sayles, which had been in the form of a small cap value separate account. The commingled fund has the identical investment strategy as the separate account but will serve to reduce custodial and administrative expenses for the System.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

As of December 31, 2021, the System had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) 6 to 10
Debt Securities:		
Bond mutual funds	\$ 40,207,796	\$ 40,207,796
Other Investments:		
Equity mutual funds - Domestic	114,152,553	
Equity mutual funds - International	50,555,278	
Pension reserve investment trust - Hedge Funds	24,278,998	
Pooled real estate	40,809,007	
Pooled Venture Capital Funds	44,391,205	
Massachusetts Municipal Depository Trust	200,990	
	\$ 314,595,827	

Custodial Credit Risks - Investments

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the System's \$314,595,827 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the System's name. The System has no policy on custodial credit risk.

Interest Rate Risk

The System does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The System limits investments in bonds with a minimum quality rating of Baa or equivalent as rated by one or more recognized bond rating services, however, 10% of the market value of fixed income investments may be invested in bonds with a minimum quality rating of Ba or equivalent as rated by one or more recognized bond rating services.

The System's exposure to credit risk as of December 31, 2021 is as follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
Bond Mutual Funds:	
AAA	\$ 5,172,549
AA2	35,035,247
	\$ 40,207,796

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Concentration of Credit Risk

The System may invest up to 15% of the account's assets in high yield securities on an opportunistic basis. There are no qualified investments that are more than 5 percent.

Fair Value of Investments

The System categorizes its fair value measurements within the fair value hierarchy established by 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 System has the following recurring fair value measurements as of December 31, 2021:

Investment Type	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Equity securities - domestic	\$ 114,152,553	\$ 114,152,553	\$ -	\$ -
Equity mutual funds - International	50,555,278	50,555,278	-	-
Bond mutual funds	40,207,796	-	40,207,796	-
	<u>204,915,627</u>	<u>\$ 164,707,831</u>	<u>\$ 40,207,796</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
External Investment Pools (PRIT)-hedge funds	24,278,998			
Pooled real estate	40,809,007			
Pooled Venture Capital Funds	44,391,205			
External Investment Pools (MMDT)	<u>200,990</u>			
Total Investments	<u>\$ 314,595,827</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

B. Receivables

At June 30, 2022, receivables for the individual major governmental funds, non-major governmental funds and December 31, 2021, for the fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 1,718,811	\$ (354,346)	\$ 1,364,465
Tax liens	2,025,720	-	2,025,720
Excise taxes	1,577,065	(972,706)	604,359
Departmental	4,849,264	(3,607,189)	1,242,075
User charges	526,646	(4,725)	521,921
Due from other governments	3,220,221	-	3,220,221
Tax foreclosures	512,734	-	512,734
Leases	1,147,759	-	1,147,759
Fiduciary funds:			
Westfield Employees Retirement System (at December 31, 2021):			
Accounts Receivable	105,174	-	105,174
	<u>\$ 15,683,394</u>	<u>\$ (4,938,966)</u>	<u>\$ 10,744,428</u>

The remaining \$202,265 amount shown on the Statement of Activities in other receivables represents adjustments due from members for health insurance claims in the fourth quarter of fiscal year 2022 of the Internal Service funds.

At June 30, 2022 and December 31, 2021 for the Gas and Electric Light Department, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer Fund:			
User charges	\$ 1,558,470	\$ (4,632)	\$ 1,553,838
Due from other governments	605,575	-	605,575
Water Fund:			
User charges	1,649,247	(7,143)	1,642,104
Due from other governments	553,303	-	553,303
Gas and Electric Light (As of December 31, 2021)			
User charges	4,792,086	(706,000)	4,086,086
	<u>\$ 9,158,681</u>	<u>\$ (717,775)</u>	<u>\$ 8,440,906</u>

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The composition of amounts due from other governments as of June 30, 2022 for governmental funds and the business-type activities are as follows:

Governmental Funds:

General Fund:

Commonwealth of Massachusetts:

Department of Revenue:

Charter School \$ 224,660

Department of Veterans Services:

Veterans benefits 391,591 \$ 616,251

Franklin Avenue School Construction Fund:

Commonwealth of Massachusetts:

Massachusetts School Building Authority:

School Building Assistance - capital portion 584,642

Nonmajor Governmental Funds:

U.S. Department of Agriculture:

School lunch 252,715

U.S. Department of Education:

School title grants 691,752

U.S. Department of Housing and Urban Development:

Community Development Block Grant 4,875

U.S. Department of Transportation:

Federal Aviation Administration 63,392

Commonwealth of Massachusetts:

Department of Conservation and Recreation 6,400

Department of Elementary and Secondary Education:

School lunch 33,819

School title grants 222,934

Executive Office of Education 224,469

Massachusetts Emergency Management Agency 7,258

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funds 511,714 2,019,328

\$ 3,220,221

Business-Type Funds:

Sewer Fund:

Town of Southwick's portion of the repayment of the City's Massachusetts Clean Water Trust loan (includes subsidy) for its share of the wastewater treatment plant.

\$ 235,173

Massachusetts Clean Water Trust:

Principal loan subsidy 370,402

Water Fund:

Commonwealth of Massachusetts:

Massachusetts Clean Water Trust:

DWP-21-06; Water Wells, Connector and Tank 99,973

DWP-21-06; Improve Water Wells 1 & 2 453,330

\$ 1,158,878

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

C. Lease Receivable

Governmental Funds

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized using the effective interest method over the terms of the lease.

On February 27, 2003, the City entered into a 35-year property lease with the G&H Realty, LLC, to lease real property within the City of Westfield on Westfield Barnes Airport. The Commencement Date of the property lease was March 1, 2003. The fixed payment will be equal to \$2,107 per month. The property lease has provisions for an additional option period to extend the lease for one consecutive period of ten years. The lease receivable is measured at the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.5%.

On December 22, 2006, the City entered into a 35-year property lease with the Airflyte, Inc., to lease real property within the City of Westfield on Westfield Barnes Airport. The Commencement Date of the property lease was January 1, 2007. The fixed payment will be equal to \$2,958.82 per month. The property lease has provisions for an additional option period to extend the lease for one consecutive period of fifteen years. The lease receivable is measured at the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.5%.

On December 31, 2013, the City entered into a 35-year property lease with the Whip City Aviation, LLC, to lease real property within the City of Westfield on Westfield Barnes Airport. The Commencement Date of the property lease was December 31, 2013. The fixed payment will be equal to \$1,593.24 per month. The property lease has provisions for additional option periods to extend the lease for three consecutive periods of five years each. The lease receivable is measured at the present value of the future minimum payments expected to be received during the lease term at a discount rate of 3.5%.

In Fiscal year 2022, the City recognized \$38,994 of lease revenue and \$40,915 of interest revenue under the leases which is included in Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

The future minimum lease receivables are as follows:

Year	Principal	Interest	Total
2023	\$ 40,381	\$ 39,528	\$ 79,909
2024	41,817	38,092	79,909
2025	43,304	36,605	79,909
2026	44,845	35,064	79,909
2027	46,440	33,469	79,909
2028-2032	258,180	141,364	399,544
2033-2037	307,478	92,066	399,544
2038-2042	254,308	38,988	293,296
2043-2047	83,107	12,487	95,594
2048-2052	27,899	780	28,679
	\$ 1,147,759	\$ 468,443	\$ 1,616,202

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

D. Deferred Inflows of Resources – Unavailable Revenue

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. The City has six items, *reserve for rate stabilization*, *reserve for energy conservation*, taxes paid in advance, *deferred inflows related to pensions*, *deferred inflows related to OPEB* and *deferred inflows related to lease*, which qualify in this category. The deferred inflows related to pensions for future pension revenues is explained in note 5G. The deferred inflows related to OPEB for future retiree health and life insurance revenues is explained in note 5H.

- **Reserve for Rate Stabilization:** Management utilizes rate stabilization funds on an event driven basis. During 2021, the Department used \$1,046,029 to offset the cost of power. The Department increased the reserve by \$4,933,794 during 2021. The balance remaining to offset future costs is \$52,170,873 as of December 31, 2021.
- **Reserve for Energy Conservation:** In the ordinary course of business, the Department will enter into energy conservation reimbursement contracts with its commercial customers. As of December 31, 2021, the balance is \$1,494,437.

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

General Fund:		
Taxes paid in advance	\$	86,674
Property taxes		1,026,344
Tax liens		2,025,720
Excise taxes		604,359
Departmental		110,859
User charges		304,583
Tax foreclosures		512,734
Due from other governments		391,591
	\$	5,062,864
Nonmajor governmental funds:		
Property taxes		13,821
Departmental		935,584
User charges		217,338
Due from other governments		511,714
		1,678,457
	\$	6,741,321

E. Inventories

Inventory in the Gas and Electric Light Department, as of December 31, 2021 consists consist primarily of pipe, valves, utility poles, wire, meters, transformers and cable for a total of \$6,182,823.

F. Restricted and Designated Assets

Restricted and designated assets in the Gas and Electric Light Department which is in the custody of and managed by the City Treasurer, and cash accounts deposited with the Massachusetts Municipal Wholesale Electric Company (“MMWEC”).

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

These funds are segregated for specific outlays and contingencies and are recorded at fair value. The balance at December 31, 2021 consists of the following:

	Cash and Cash equivalents	Investments	Total
Restricted Cash:			
Cash in Escrow	\$ 532,001	\$ -	\$ 532,001
Cash for Rate Stabilization	7,166,419	-	7,166,419
Connect America Fund	1,960,549	-	1,960,549
MMWEC Reserve Trust	3,145,447	33,487,955	36,633,402
Total Restricted Cash and Designated	12,804,416	33,487,955	46,292,371
Deferred Charges	2,508,362	398,716	2,907,078
	<u>\$ 15,312,778</u>	<u>\$ 33,886,671</u>	<u>\$ 49,199,449</u>

G. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 (including the Gas and Electric Light Department at December 31, 2021), follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 24,793,282	\$ -	\$ -	\$ 24,793,282
Construction in progress	5,639,862	5,320,665	(4,624,878)	6,335,649
Total capital assets not being depreciated	30,433,144	5,320,665	(4,624,878)	31,128,931
Capital assets being depreciated:				
Buildings and improvements	164,950,966	2,656,651	-	167,607,617
Machinery, equipment and other	25,903,789	1,694,849	(136,057)	27,462,581
Infrastructure	163,012,488	5,938,801	-	168,951,289
Total capital assets being depreciated	353,867,243	10,290,301	(136,057)	364,021,487
Less accumulated depreciation for:				
Buildings	81,972,502	6,267,279	-	88,239,781
Machinery, equipment and other	19,767,266	1,870,611	(136,057)	21,501,820
Infrastructure	94,503,101	5,752,569	-	100,255,670
Total accumulated depreciation	196,242,869	13,890,459	(136,057)	209,997,271
Total capital assets being depreciated, net	157,624,374	(3,600,158)	-	154,024,216
Total governmental activities capital assets, net	<u>\$ 188,057,518</u>	<u>\$ 1,720,507</u>	<u>\$ (4,624,878)</u>	<u>\$ 185,153,147</u>

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Depreciation expense was charged to functions/programs of the governmental type activities as follows:

Governmental Activities:

General government	\$	1,320,253
Airport		3,525,739
Public safety		999,096
Public works		3,399,300
Education		3,606,750
Health and human services		239,824
Culture and recreation		799,497
Total depreciation expense - governmental activities	\$	<u>13,890,459</u>

Business-Type Activities:

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Sewer Activities				
Capital assets not being depreciated:				
Land	\$ 42,705	\$ -	\$ -	\$ 42,705
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>42,705</u>	<u>-</u>	<u>-</u>	<u>42,705</u>
Capital assets being depreciated:				
Buildings and Renovations	3,571,818	-	-	3,571,818
Machinery, equipment and other	759,211	99,630	-	858,841
Infrastructure	67,072,185	-	-	67,072,185
Total capital assets being depreciated	<u>71,403,214</u>	<u>99,630</u>	<u>-</u>	<u>71,502,844</u>
Less accumulated depreciation for:				
Buildings and Renovations	2,148,570	95,303	-	2,243,873
Machinery, equipment and other	482,358	93,327	-	575,685
Infrastructure	19,649,028	1,166,848	-	20,815,876
Total accumulated depreciation	<u>22,279,956</u>	<u>1,355,478</u>	<u>-</u>	<u>23,635,434</u>
Total capital assets being depreciated, net	<u>49,123,258</u>	<u>(1,255,848)</u>	<u>-</u>	<u>47,867,410</u>
Total business-type activities capital assets, net	<u>\$ 49,165,963</u>	<u>\$ (1,255,848)</u>	<u>\$ -</u>	<u>\$ 47,910,115</u>

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Business-Type Activities	Beginning			Ending
Water Activities	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$ 3,021,534	\$ -	\$ -	\$ 3,021,534
Construction in progress	11,402,372	3,051,658	(5,278,795)	9,175,235
Total capital assets not being depreciated	14,423,906	3,051,658	(5,278,795)	12,196,769
Capital assets being depreciated:				
Buildings and Renovations	1,476,474	-	-	1,476,474
Machinery, equipment and other	2,582,309	-	-	2,582,309
Infrastructure	74,287,213	5,361,254	-	79,648,467
Total capital assets being depreciated	78,345,996	5,361,254	-	83,707,250
Less accumulated depreciation for:				
Buildings and Renovations	995,295	46,815	-	1,042,110
Machinery, equipment and other	1,935,931	119,097	-	2,055,028
Infrastructure	25,380,034	1,467,785	-	26,847,819
Total accumulated depreciation	28,311,260	1,633,697	-	29,944,957
Total capital assets being depreciated, net	50,034,736	3,727,557	-	53,762,293
Total business-type activities capital assets, net	\$ 64,458,642	\$ 6,779,215	\$ (5,278,795)	\$ 65,959,062

Business-Type Activities	Beginning			Ending
Gas and Electric Light Activities (as of December 31, 2021)	Balance	Increases/ Adjustments	Decreases/ Adjustments	Balance
Capital assets not being depreciated:				
Land	\$ 1,191,091	\$ -	\$ -	\$ 1,191,091
Total capital assets not being depreciated	1,191,091	-	-	1,191,091
Capital assets being depreciated:				
Plant investment	152,263,440	8,527,656	(87,111)	160,703,985
Office and computer equipment	6,979,610	649,564	-	7,629,174
Transportation equipment	5,661,915	302,862	(150,418)	5,814,359
Equipment	15,094,872	1,023,960	-	16,118,832
Total capital assets being depreciated	179,999,837	10,504,042	(237,529)	190,266,350
Less accumulated depreciation	74,106,857	5,988,884	(237,529)	79,858,212
Total capital assets being depreciated, net	105,892,980	4,515,158	-	110,408,138
Total electric light activities capital assets, net	\$ 107,084,071	\$ 4,515,158	\$ -	\$ 111,599,229

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-Type Activities:	
Sewer fund	\$ 1,355,478
Water fund	1,633,697
Gas and Electric Light Department	<u>5,988,884</u>
Total depreciation expense - business-type activities	<u>\$ 8,978,059</u>

H. Regulatory Asset

The accounting policies of the Gas and Electric Light Department conform to accounting principles generally accepted in the United States of America applicable to rate-regulated enterprises and historically reflect the effects of the rate-making process. In 2010, the Union Street LNG peaking facility was abandoned. In 2016, the Twiss Street methane plant was also abandoned. The Commissioners of the Department (with approval by the Massachusetts Department of Public Utilities) voted to include the unrecovered cost of its investment, with a full return on investment, in future rates as amortization of a regulatory asset. Management believes it is probable that the Department will recover their investment in the regulatory assets.

As of December 31, 2021:	
Regulatory assets - cost	\$ 1,548,787
Less: accumulated amortization	<u>(553,900)</u>
	<u>\$ 994,887</u>

Amortization expense of the Gas and Electric Light Department on the regulatory asset was \$66,086 for the year ended December 31, 2021 and is estimated to be \$66,086 for each of the next five years.

I. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2022, are summarized below:

Transfers Out:	Transfers In:				Total
	General fund	Nonmajor Governmental fund	Business-type fund	Internal Service fund	
General fund	\$ -	\$ 55,000	\$ -	\$ 250,000	\$ 305,000
Major fund	-	-	644,140	-	644,140
Nonmajor governmental funds	213,290	-	-	-	213,290
Business-type fund	956,802	-	-	-	956,802
Total transfers out	<u>\$ 1,170,092</u>	<u>\$ 55,000</u>	<u>\$ 644,140</u>	<u>\$ 250,000</u>	<u>\$ 2,119,232</u>

The remaining (\$3,205) amount shown on the Statement of Activities in transfers represents transfers that occurred between the calendar year December 31, 2021 end for the Gas and Electric Light business-type activities and the fiscal year year-end conversion on June 30, 2022.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

J. Lease Liability

The City has entered into lease agreements as lessee for financing of various departmental vehicles and equipment in the governmental activities and a various vehicles and equipment in the business-type activities. The lease agreements qualify as lease liabilities for accounting purposes and therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through the leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Machinery, Equipment and Other	\$ 4,835,027	\$ 391,516
Less: Accumulated Depreciation	<u>(2,405,287)</u>	<u>(160,453)</u>
Total	<u>\$ 2,429,740</u>	<u>\$ 231,063</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2023	\$ 597,757	\$ 81,829
2024	490,767	59,584
2025	313,609	36,538
2026	<u>284,976</u>	<u>-</u>
Total minimum lease payments	1,687,109	177,951
Less: amount representing interest	<u>(52,502)</u>	<u>(5,683)</u>
Present value of minimum lease payments	<u>\$ 1,634,607</u>	<u>\$ 172,268</u>

K. Short-Term Financing

Under the general laws of the Commonwealth and with the appropriate local authorization the City is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Details related to the short-term debt activity of the governmental type fund are as follows:

Governmental Activities						
Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2021	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2022
Nonmajor Governmental Funds:						
Bond anticipation notes:						
Airport improvements	1.50%	6/10/2022	\$ 643,000	\$ -	\$ 643,000	\$ -
Road improvements	1.50%	6/10/2022	145,000	-	145,000	-
School feasibility study	1.50%	6/10/2022	150,000	-	150,000	-
Road improvements	3.00%	6/9/2023	-	115,000	-	115,000
Franklin Avenue School	3.00%	6/9/2023	-	180,000	-	180,000
Total Governmental Activities			\$ 938,000	\$ 295,000	\$ 938,000	\$ 295,000

Details related to the short-term debt activity of the business type fund are as follows:

Business-type Activities						
Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2021	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2022
Sewer activities:						
Bond anticipation notes:						
Sanitary sewer expansion (Bigwood)	1.50%	6/10/2022	\$ 487,000	\$ -	\$ 487,000	\$ -
Water activities:						
Bond anticipation notes:						
Water meters	1.25%	10/29/2021	500,000	-	500,000	-
Water Well connector and Tank	1.25%	10/29/2021	1,500,000	-	1,500,000	-
Water meters	1.50%	6/10/2022	60,000	-	60,000	-
Water Treatment and Distribution	1.50%	6/10/2022	3,055,000	-	3,055,000	-
Water Well connector and Tank	1.50%	6/10/2022	300,000	-	300,000	-
Water meters	3.00%	6/9/2023	-	160,000	-	160,000
Water Well connector and Tank	3.00%	6/9/2023	-	120,000	-	120,000
Water Treatment and Distribution	3.00%	6/9/2023	-	1,550,000	-	1,550,000
Massachusetts Clean Water Trust:						
DWP21-06; Wells, Connectors and Tank	0.00%	2/15/2025	-	1,539,001	-	1,539,001
Total Business-type activities			\$ 5,902,000	\$ 3,369,001	\$ 5,902,000	\$ 3,369,001

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

L. Long Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds currently outstanding of the governmental type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2022
Inside Debt:					
Municipal Purpose Loan of 2014:					
Road improvements	3.41%	4/4/2014	3/1/2034	\$ 2,420,000	\$ 60,000
Park Square improvements	3.41%	4/4/2014	3/1/2034	1,751,000	325,000
Building improvements	3.41%	4/4/2014	3/1/2034	10,000,000	1,015,000
Energy Conservation	3.41%	4/4/2014	3/1/2034	17,000,000	2,400,000
City Hall remodeling	3.41%	4/4/2014	3/1/2034	3,496,000	325,000
Elementary School Roof Remodeling	3.41%	4/4/2014	3/1/2034	404,161	40,000
Municipal Purpose Loan of 2016	2.52%	3/31/2016	4/1/2036	9,753,000	7,150,000
Municipal Purpose Loan of 2017	3.0%-5.0%	10/15/2017	10/15/2036	7,785,700	5,870,000
Municipal Refunding Loan of 2018:					
Technology Center	3.0%-5.0%	8/1/2018	4/1/2038	1,314,000	670,000
Municipal Purpose Loan of 2019	3.0%-5.0%	6/12/2019	2/15/2039	530,000	340,000
Municipal Purpose Loan of 2019B	2.0%-5.0%	10/30/2019	11/1/2023	70,000	30,000
Municipal Refunding Loan of 2020A	0.96%	10/23/2020	12/1/2030	1,371,000	1,198,000
Municipal Refunding Loan of 2020B	1.74%	10/24/2020	3/1/2034	19,343,000	18,772,000
Municipal Purpose Loan of 2020:					
Road improvements	1.54%	6/10/2021	6/1/2031	25,000	23,000
Total Inside Debt					<u>\$ 38,218,000</u>

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2022
Total Inside Debt					\$ 38,218,000
Outside Debt:					
Municipal Purpose Loan of 2014:					
Barnes Airport	3.41%	4/4/2014	3/1/2034	470,000	50,000
New Elementary School Construction	3.41%	4/4/2014	3/1/2034	3,500,000	325,000
School Project - Green Repair # 1	3.41%	4/4/2014	3/1/2034	813,812	85,000
School Project - Green Repair # 2	3.41%	4/4/2014	3/1/2034	4,320,027	425,000
Municipal Refunding Loan of 2020B	1.74%	10/24/2020	3/1/2034	6,040,000	5,856,000
Municipal Purpose Loan of 2022:					-
Barnes Airport	3.82%	6/10/2022	6/1/2030	555,000	555,000
Franklin Avenue School Construction	3.82%	6/10/2022	6/1/2050	17,655,000	17,655,000
Total Outside Debt					24,951,000
Total Governmental Type Debt					\$ 63,169,000

Debt service requirements for principal and interest for governmental bonds payable in future fiscal years are as follows:

Year	Principal	Interest	Total
2023	\$ 4,838,000	\$ 1,999,748	\$ 6,837,748
2024	4,837,000	1,801,275	6,638,275
2025	4,922,000	1,581,054	6,503,054
2026	4,958,000	1,460,238	6,418,238
2027	4,603,000	1,328,997	5,931,997
2028-2032	20,867,000	4,844,216	25,711,216
2033-2037	7,479,000	2,718,544	10,197,544
2038-2042	3,470,000	1,866,400	5,336,400
2043-2047	4,230,000	1,114,200	5,344,200
2048-2050	2,965,000	240,200	3,205,200
	<u>\$ 63,169,000</u>	<u>\$ 18,954,872</u>	<u>\$ 82,123,872</u>

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

General obligation bonds currently outstanding of the business-type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2022
Inside Debt:					
Municipal Purpose Loan of 2017	3.0%-5.0%	10/15/2017	10/15/2037	\$ 1,323,300	\$ 1,045,000
Municipal Purpose Loan of 2019	3.0%-5.0%	6/12/2019	2/15/2039	1,139,000	1,110,000
Municipal Purpose Loan of 2019B	2.0%-5.0%	10/30/2019	11/1/2039	3,910,000	3,880,000
Municipal Refunding Loan of 2020A	0.96%	10/23/2020	12/1/2030	439,000	393,000
Municipal Purpose Loan of 2021	1.54%	6/10/2021	6/1/2041	423,000	408,000
Municipal Purpose Loan of 2022	3.82%	6/10/2022	6/1/2032	425,000	425,000
Massachusetts Clean Water Trust:					
Sewer projects	5.00%	11/15/2002	8/1/2022	18,630,170	1,186,499
Sewer projects	Varies	10/26/2004	8/1/2023	892,407	124,592
Total Inside Debt					8,572,091
Outside Debt:					
Water activities:					
Municipal Purpose Loan of 2014:					
Water mains	3.41%	4/4/2014	3/1/2034	1,060,000	100,000
Granville Dam improvements	2.00%	6/26/2014	6/26/2034	1,000,000	670,728
Municipal Purpose Loan of 2016:					
Granville water pipeline replacement	2.52%	3/31/2016	4/1/2036	324,000	235,000
Granville Reservoir improvements	2.52%	3/31/2016	4/1/2036	1,670,000	1,235,000
Municipal Purpose Loan of 2017	3.0%-5.0%	10/15/2017	10/15/2037	886,700	710,000
Municipal Refunding Loan of 2018	3.0%-5.0%	8/1/2018	4/1/2038	1,575,000	915,000
Municipal Purpose Loan of 2019	3.0%-5.0%	6/12/2019	2/15/2039	2,451,000	1,950,000
Municipal Purpose Loan of 2019B	2.0%-5.0%	10/30/2019	11/1/2039	2,060,000	2,030,000
Municipal Refunding Loan of 2020A	0.96%	10/23/2020	12/1/2030	1,380,000	1,229,000
Municipal Refunding Loan of 2020B	1.74%	10/24/2020	3/1/2034	569,000	559,000
Municipal Purpose Loan of 2020	1.54%	6/10/2021	6/1/2041	3,267,000	3,204,000
Municipal Purpose Loan of 2021	1.80%	10/28/2021	10/15/2029	1,910,000	1,910,000
Municipal Purpose Loan of 2022	3.82%	6/10/2022	6/1/2042	2,185,000	2,185,000
Massachusetts Clean Water Trust:					
Water main projects	4-5.25%	11/1/2003	8/1/2023	3,985,590	523,080
Water main projects	2.00%	11/3/2005	7/15/2023	86,210	6,890
Granville water pipeline replacement	2.00%	1/7/2015	1/15/2035	2,352,248	1,640,211
Total Outside Debt					19,102,909
Total Sewer and Water Debt					\$ 27,675,000

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding December 31, 2021
Gas and Electric Light activities: (As of December 31, 2021)					
Gas and Electric	4.00%	2/1/2006	8/1/2024	\$ 2,100,000	\$ 325,000
Gas and Electric	2.10%	4/1/2008	12/31/2028	6,000,000	1,980,500
Gas and Electric	4.30%	4/4/2014	3/1/2032	6,233,950	3,776,997
Gas and Electric	4.13%	10/31/2017	10/15/2037	5,000,000	3,997,560
Gas and Electric	2.97%	6/10/2018	12/31/2038	10,000,000	8,487,900
					<u>18,567,957</u>
Total Business-Type Debt					<u><u>\$ 46,242,957</u></u>

Future Debt Service

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

Sewer Fund			
Year	Principal	Interest	Total
2023	\$ 1,480,277	\$ 293,181	\$ 1,773,458
2024	419,814	247,258	667,072
2025	423,000	229,117	652,117
2026	498,000	206,698	704,698
2027	573,000	180,392	753,392
2028-2032	2,715,000	529,042	3,244,042
2033-2037	1,646,000	207,572	1,853,572
2038-2040	817,000	31,434	848,434
	<u>\$ 8,572,091</u>	<u>\$ 1,924,694</u>	<u>\$ 10,496,785</u>

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Debt service requirements for principal and interest for the water enterprise fund in future fiscal years are as follows:

Water Fund

Year	Principal	Interest	Total
2023	\$ 1,447,781	\$ 645,995	\$ 2,093,776
2024	1,590,101	584,155	2,174,256
2025	1,546,071	525,452	2,071,523
2026	1,458,578	457,757	1,916,335
2027	1,567,159	394,489	1,961,648
2028-2032	6,317,231	1,197,415	7,514,646
2033-2037	3,747,988	442,895	4,190,883
2038-2040	1,428,000	110,138	1,538,138
	<u>\$ 19,102,909</u>	<u>\$ 4,358,296</u>	<u>\$ 23,461,205</u>

Debt service requirements for principal of for the gas and electric light department as of December 31, 2021 are as follows:

Gas & Electric Light Fund (As of December 31, 2021)

Year	Principal	Interest	Total
2022	\$ 1,538,204	\$ 614,984	\$ 2,153,188
2023	1,533,204	545,022	2,078,226
2024	1,525,205	475,258	2,000,463
2025	1,420,872	412,083	1,832,955
2026	1,405,871	359,015	1,764,886
2027-2031	5,870,856	1,173,594	7,044,450
2032-2036	4,029,311	491,117	4,520,428
2037-2038	1,244,434	39,150	1,283,584
	<u>\$ 18,567,957</u>	<u>\$ 4,110,223</u>	<u>\$ 22,678,180</u>

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

A summary of the changes in governmental activities long-term debt during the year is as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds	\$ 49,321,000	\$ 18,210,000	\$ 4,362,000	\$ 63,169,000	\$ 4,838,000
Leases payable	1,099,200	1,388,532	853,125	1,634,607	572,168
Compensated absences	4,889,920	-	314,685	4,575,235	1,628,949
Net OPEB liability	388,893,805	-	76,442,659	312,451,146	-
Net pension liability	53,314,366	-	17,773,521	35,540,845	-
Governmental activity Long-term liabilities	\$ 497,518,291	\$ 19,598,532	\$ 99,745,990	\$ 417,370,833	\$ 7,039,117
Business-type activities:					
Sewer Fund					
Bonds Payable:					
General obligation bonds	\$ 6,992,000	\$ 425,000	\$ 156,000	\$ 7,261,000	\$ 232,000
Massachusetts Clean Water Trust	2,538,833	-	1,227,742	1,311,091	1,248,277
Leases payable	140,248	-	34,299	105,949	34,716
Compensated absences	93,451	-	41,304	52,147	7,162
Net OPEB liability	2,302,747	359,625	-	2,662,372	-
Net pension liability	1,454,023	-	588,662	865,361	-
	13,521,302	784,625	2,048,007	12,257,920	1,522,155
Water Fund					
Bonds Payable:					
General obligation bonds	13,728,522	4,095,000	890,794	16,932,728	1,074,734
Massachusetts Clean Water Trust	2,531,033	-	360,852	2,170,181	373,047
Leases payable	108,921	-	42,602	66,319	43,712
Compensated absences	110,088	41,684	-	151,772	15,737
Net OPEB liability	6,452,696	-	1,040,376	5,412,320	-
Net pension liability	2,383,723	-	819,574	1,564,149	-
	25,314,983	4,136,684	1,294,248	26,297,469	1,507,230
Gas and Electric Light					
Bonds Payable:					
General obligation bonds	20,084,162	-	1,516,205	18,567,957	1,538,204
Connect America fund liability	937,654	1,022,895	-	1,960,549	-
Compensated absences	3,113,315	601,054	646,089	3,068,280	387,974
Net OPEB liability	10,012,703	-	674,684	9,338,019	-
Net pension liability	12,465,533	-	4,363,508	8,102,025	-
	46,613,367	1,623,949	7,200,486	41,036,830	1,926,178
Total Business-type activity Long-term liabilities	\$ 85,449,652	\$ 6,545,258	\$ 10,542,741	\$ 79,592,219	\$ 4,955,563

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Massachusetts Clean Water Trust (MCWT)

The City is scheduled to be subsidized by the MCWT on a periodic basis for principal in the amount of \$26,613,911 and interest costs of \$13,028,128 for six loans which the City has borrowed from MCWT. The gross amount outstanding at June 30, 2022 for principal and interest combined for the loans is \$3,766,108 (principal of \$3,481,272 and interest of \$284,836). The principal subsidies are guaranteed and therefore \$370,402 has been reported as an intergovernmental receivable in the government-wide financial statements. The net repayments, including interest, are scheduled to be \$3,318,435. Since the City is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements. The fiscal year 2022 principal and interest subsidies totaled \$441,485.

Current and Advanced Refunding – October 23, 2020

In order to take advantage of favorable interest rates, the City issued \$32,055,000 of general obligation refunding bonds to provide resources to purchase U. S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded debt. The proceeds of the refunding bonds were used to complete a current and advanced refunding on existing debt. The refunding bonds are for the Municipal Purpose Loan 2011 and the Municipal Purpose Loan 2014 for a total of \$28,675,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general obligation long-term debt. The current and advanced refunding resulted in an economic gain of \$1,903,220.

To provide for the payment of the refunded debt, the City deposited \$28,644,887 into an irrevocable fund designated the "City of Westfield, Massachusetts, Refunding Escrow Agreement." The market value of the trust at June 30, 2022 was \$25,746,446.

Legal Debt Limit

Under Section 10 of Chapter 44 of the Massachusetts General Laws a City may authorize indebtedness up to a limit of 5 percent of the equalized valuation of the City. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The City's inside debt at June 30, 2022, totaled \$48,570,091.

In addition, the City is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

The following is a computation of the legal debt limit as of June 30, 2022:

Equalized Valuation-Real Estate and Personal Property (2022)		\$ 3,978,694,400
Debt Limit: 5 % of Equalized value		<u>198,934,720</u>
Total Debt Outstanding		
Governmental Activity Debt	\$ 63,169,000	
Less: Debt Outside Debt Limit	<u>(24,951,000)</u>	38,218,000
Business-Type Activity Debt	44,313,000	
Less: Debt Outside Debt Limit	<u>(33,960,909)</u>	<u>10,352,091</u>
		<u>48,570,091</u>
Inside Debt Excess Borrowing Capacity at June 30, 2022		<u>\$ 150,364,629</u>

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a City must authorize debt by the City Council. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or City Council votes to rescind the authorized debt.

The City's loan authorizations as of June 30, 2022, which are not reflected in the financial statements, are as follows:

Date Council Meeting Authorized	Purpose	Amount
1/5/2009	Public roadways and Infrastructure for Various Roads in the Southamton Road Industrial Park Area	\$ 2,142,000
11/3/2016	Water Meter replacement project	340,000
5/4/2017	Sanitary Sewer expansion	572,000
11/18/2017	Springfield Road improvements	205,000
6/28/2018	Water well connector and Water tank	5,540,788
10/17/2019	Franklin Avenue Elementary School Feasibility	275,753
3/5/2021	Water Improvements Western Avenue	700,000
5/6/2021	Improvements to Facility Wells #1 and #2	10,857,211
1/12/2022	Franklin Avenue School construction	43,259,139
		<u>\$ 63,891,891</u>

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

M. Fund Balances

The following is a summary of the City Governmental fund balances at the year ended June 30, 2022:

	General Fund	Major Funds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Permanent funds	\$ -	\$ -	\$ 22,170	\$ 22,170
Restricted:				
Federal and state grants	-	26,778	4,211,539	4,238,317
School revolving funds	-	-	6,412,848	6,412,848
City revolving funds	-	-	181,141	181,141
Community preservation fund	-	-	2,011,055	2,011,055
Donations and gifts	-	-	707,032	707,032
Sale of land	-	-	94,894	94,894
Stormwater management fund	-	-	1,085,945	1,085,945
Capital projects	-	17,692,632	399,484	18,092,116
Permanent funds	-	-	16,031	16,031
Other	-	-	2,373,734	2,373,734
	-	17,719,410	17,493,703	35,213,113
Committed:				
Ambulance	-	-	2,162,818	2,162,818
Assigned:				
General government	366,575	-	-	366,575
Airport	305,256	-	-	305,256
Public safety	497,537	-	-	497,537
Public works	2,702,013	-	-	2,702,013
Education	2,317,266	-	-	2,317,266
Health and human services	3,593	-	-	3,593
Culture and recreation	1,400	-	-	1,400
Employee benefits and insurance	169,099	-	-	169,099
Subsequent year's budget	900,000	-	-	900,000
	7,262,739	-	-	7,262,739
Unassigned:				
General Fund	26,913,480	-	-	26,913,480
Deficit capital project funds	-	-	(66,061)	(66,061)
Deficit special revenue funds	-	-	(70,732)	(70,732)
	26,913,480	-	(136,793)	26,776,687
Total Governmental fund balances	\$ 34,176,219	\$ 17,719,410	\$ 19,541,898	\$ 71,437,527

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

N. Stabilization Fund

Massachusetts General Laws, Chapter 40, Section 5B, allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. Any interest shall be added to and become a part of the fund.

At June 30, 2022, the stabilization funds are reported in the General Fund as unassigned fund balance as follows:

General purpose stabilization fund	\$ 7,546,888
Stabilization fund reserved for debt decline	<u>5,725,000</u>
	<u><u>\$ 13,271,888</u></u>

5. OTHER INFORMATION

A. Risk Management

Health Insurance

The City is self-insured for its health insurance activities. These activities are accounted for in the internal service fund where revenues are recorded when earned and expenses are recorded when the liability is incurred.

Liabilities are reported when it is possible that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been Incurred But Not Reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effect of inflation, recent claims settlement trends, and other economic and social factors.

The City estimates its IBNR claims based on a historical analysis of the timing of claims paid. The City purchases stop loss insurance for claims in excess of coverage provided by the City. At June 30, 2022, the amount of the liability for health insurance claims totaled \$1,247,338. This liability is the best estimate based on available information.

The City's changes in the reported liability for the fiscal years ended June 30, 2022 and two subsequent years are as follows:

Fiscal Year	Balance at Beginning of Fiscal Year	Current Year Claims	Claims Payments	Balance at Fiscal Year End
2022	\$ 1,007,267	\$ 19,078,168	\$(18,838,097)	\$ 1,247,338
2021	\$ 844,897	\$ 18,191,816	\$(18,029,446)	\$ 1,007,267
2020	\$ 1,211,582	\$ 16,437,162	\$(16,803,847)	\$ 844,897

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City has obtained a variety of commercial liability insurance policies; which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

C. Contingent Liabilities

Litigation

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, 2022, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2022.

The City has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, City management believes such disallowances, if any, will not be material.

City of Westfield Gas and Electric Light Department (the Department)

Commitments – The Department purchases power through agreements with public and investor owned utilities. At December 31, 2021, the Department was committed under various short and long-term agreements for the purchase of power from generating units currently operating, under construction, and planned for construction. The objective of these commitments is to obtain sufficient power at the lowest energy cost available to meet the current and long-term needs of the Department's customers.

The Department is a participant in certain projects of Massachusetts Municipal Wholesale Electric Company (MMWEC), created as a means to develop a bulk power supply for its members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance electric facilities (Projects). MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC sells all of the capability (Project Capability) of each of its Projects to its members and other utilities (Project Participants) under Power Sales Agreements (PSAs). Among other things, the PSAs require each Project Participant to pay its pro-rata share of MMWEC's costs related to the Project, which costs include debt service on revenue bonds issued by MMWEC to finance the Project, plus 10% of MMWEC's debt service to be paid into a Reserve and Contingency Fund.

The Department has entered into PSAs and Power Purchase Agreements (PPAs) with MMWEC. Under both the PSAs and PPAs, the Department is required to make certain payments to MMWEC payable solely from Department revenues. Under the PSAs, the Department is unconditionally obligated to make all payments due to MMWEC, whether or not the Project(s) is completed or operating, and notwithstanding the suspension or interruption of the output of the Project(s).

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

As of December 31, 2021, total capital expenditures and annual capacity, fuel and transmission costs (which include operations and maintenance costs, debt service, and decommissioning expenses) by participants and MMWEC toward capital projects amounted to \$855,487,496 of which approximately \$104,129,176 represents the amount associated with the Department's Project Capability of the projects of which it participates. As of December 31, 2020, total capital expenditures and annual capacity, fuel and transmission costs (which include operations and maintenance costs, debt service, and decommissioning expenses) by participants and MMWEC toward capital projects amounted to \$845,301,634, of which approximately \$102,845,591 represents the amount associated with the Department's Project Capability of the projects in which it participates.

Capacity, fuel and transmission costs billed to the Department by MMWEC were \$7,570,488 for the year ended December 31, 2021.

Under the Hydro-Quebec support agreement, the Department provides support payments to Hydro-Quebec to cover its pro-rata share of costs relating to the Phase II facilities. Support payments were \$69,530 for the year ended December 31, 2021. The Project agreement includes requirements that the participant make equity contributions, provide credit support and furnish certain guarantees. In addition, the Project contains a step-up-mechanism which requires participants to assume obligations of other participants who are in default, subject to certain limitations. The Department's potential liability cannot be reasonably estimated at this time.

The Department has an electric supply agreement with Holiday Hill Community Winds, LLC. The agreement provides for an estimated annual production of 3,188 MWh at a fixed price from \$60/MWh to \$66.90/MWh purchased over the term of the contract from January 2020 through December 2045.

The Department has an electric supply agreement with NextEra Energy Marketing, LLC. The agreement provides for an estimated annual production of 17,520 MWh at a fixed price from \$43.05/MWh purchased over the term of the contract from January 2025 through December 2034.

The Department has an electric supply agreement with FirstLight Power Management, LLC. The agreement provides for an estimated annual production of 4,216 MWh at a fixed price ranging from \$38.08/MWh to \$49.31/MWh purchased over the term of the contract from January 2022 through December 2030.

The Department has a gas supply agreement with Direct Energy Business Marketing, LLC. The agreement provides for a fixed gas price ranging from \$2.28/MMBtu to \$10.69/MMBtu for 5,211 to 7,000 MMBtu purchased per day from November 2017 to March 2025.

The Department has a solar energy supply agreement with Twist Street Solar, LLC. The agreement provides for an estimated total of 44,422,947 kWh at a fixed price of ranging from \$0.075/kWh to \$0.0995/kWh purchased over the term of the contract from February 2016 through January 2036.

The Department has a solar energy supply agreement with CED Westfield Solar. The agreement provides for an estimated total of 62,845,896 kWh at a fixed price ranging from \$0.06/kWh to \$0.06915/kWh purchased over the term of the contract from September 2016 through August 2036.

The Department has an electric supply agreement with Shell Energy North America, L.P. The agreement provides for a total of 110,272 MWh at a fixed price of \$42.60/MWh purchased over the term of the contract from January 2018 through December 2022.

The Department has an electric supply agreement with Firstlight Power Resources Management, LLC. The agreement provides for an estimated annual production of 6,469 MWh at a fixed price ranging from \$40.06/MWh to \$172.11/MWh purchased over the term of the contract from January 2024 through December 2030.

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Notes to the Financial Statements
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The Department has various electric bilateral transactions with NextEra Energy Marketing, LLC. The agreements provide fixed purchases totaling between 25,680 MWh and 74,464 MWh at prices ranging from \$27.88/MWh to \$87.76/MWh purchased over the term of the contracts from January 2022 through December 2026.

The Department has an electric supply agreement with Granite Reliable Power, LLC. The agreement provides for an estimated annual production of 4,700 MWh at a fixed price ranging from \$66.00/MWh to \$96.15/MWh purchased over the term of the contract from January 2018 through December 2037.

The Department has an electric supply agreement with Sunfarm Westfield, LLC. The agreement provides for an estimated annual production of 2,885,000 kWh to 3,173,000 kWh at a fixed price ranging from \$0.055/kWh to \$0.06646/kWh purchased over the term of the contract from a commercial operation date of no later than June 2018 through June 2038.

The Department has an electric supply agreement with Firstlight Power Resources Management, LLC. The agreement provides for an estimated annual production of 2,515 MWh to 3,773 MWh at a fixed price ranging from \$25.46/MWh to \$102.01/MWh purchased over the term of the contract from January 2019 through December 2023.

The Department has an electric supply agreement with GSPP Terawatt. The agreement provides for an estimated annual production of 6,105,370 kWh to 5,550,399 kWh at a fixed price ranging from \$0.045/kWh to \$0.05697/kWh purchased over the term of the contract from February 2019 through February 2039.

The Department has a solar energy supply agreement with Broadleaf Solar, LLC. The agreement provides for an estimated annual production of 15,288 MWh at a fixed price of \$57.50/MWh purchased over the term of the contract from January 2025 to December 2049.

The Department has a solar energy supply agreement with Gravel Pit Solar III, LLC. The agreement provides for an estimated annual production of 6,964 MWh at a fixed price of \$51.95/MWh purchased over the term of the contract from January 2024 to December 2048.

During the general course of business, the Department enters into long-term contracts with energy suppliers who are in the early stages of developing a facility to generate electricity. These agreements commit the Department to purchasing set amounts of energy at predetermined prices. However, the commitment arising from these contracts only exists when and if the energy producing facilities are completed and begin transmitting energy. No commitment exists for the Department if a project is not completed.

In September 2020, the Municipal Light Board established a program to assist its ratepayers impacted by the current economic conditions brought on by the COVID-19 pandemic. This program provides relief to residential, small commercial (including non-profit) gas, electric and whip city fiber ratepayers, including but not limited to the forgiveness of up to three months billings not to exceed \$500,000 in total for the program. As of December 31, 2020, 948 customers received a bill credit totaling approximately \$311,000. In January 2021, the remaining funds were expended.

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Notes to the Financial Statements
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Workers' compensation

The Department participates in the City's self-insurance program covering workers' compensation risks. Coverage for risks in excess of predetermined limits is placed with a commercial carrier. The Department is assessed and recognizes an amount equal to claims paid by the City for the Department's employees, administrative costs, and insurance premiums. The Department is responsible for administering their portion of the workers compensation program. The City only assesses the Department for insurance premiums because the Department pays all claims for their employees and has contracted with a third party to administer the plan. There was no accrued liability for self-insurance costs for 2021. The amount of expense incurred for workers compensation for the year ended December 31, 2021, was \$336,315.

	2021
Unpaid claims, beginning of year	\$ 182,600
Incurred claims and adjustments (including IBNR's)	223,006
Claim payments	(259,372)
Unpaid claims, end of year	\$ 146,234

Connect America Fund

The Department is one of one hundred and three providers in the United States to receive a portion of \$1,488 billion in Connect America Fund II ("CAF II") money from the Federal Communications Commission which is intended to support expansion of broadband internet availability in rural areas which are currently considered unserved communities. The Department's portion of this funding is for \$10,325,401 and is planned to reach 20 communities and over 12,400 households. The Department received their first payment of this funding for approximately \$85,000 on February 27, 2020 and has continued to receive an additional \$85,000 each month thereafter. This money will be received over ten years and each payment is to be transferred directly into an escrow account with a third-party financial institution and is not available for use to the Department. The Department serves as a pass through "trustee" and will hold this money until the recipient communities have met all the necessary requirements in order for the funding to be released and used as designated.

General liability

The Department is self-insured for general liability insurance for the first \$500,000 per occurrence with a maximum of \$2,000,000 in the aggregate. There were no general liability claims paid for the year ended December 31, 2021. The Department has no amount of settlements exceeding insurance coverage for each of the past three years.

Environmental Matters

The Department is subject to regulation by federal, state and local authorities with respect to air and water quality, handling and disposal of toxic substances and hazardous and solid wastes, and handling and use of chemical products. The Department could incur significant additional environmental costs associated with the operation of its own system, through ownership interests in joint ventures or through long-term contractual arrangements with other electric generating and transmitting entities. The Department could also encounter significant costs to remedy the environmental effects of prior waste handling activities. The extent of future environmental cleanup costs including environmental remediation costs is not estimable due to factors such as the unknown magnitude of possible contamination, the appropriate remediation methods, the possible effects of future legislation or regulation, and the possible effects of technological changes related to future cleanup and the difficulty of determining future liability, if any, for cleanup sites at which the Department has or may be designated a potentially responsible party by the Environmental Protection Agency or other agencies. However, considering known facts, existing

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laws, regulatory practices, and possible insurance and rate treatment, management does not believe such matters will have a material adverse effect on the Department's financial position.

Litigation

The Department is also involved in various legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such proceedings and litigation will not materially affect the Department's financial position.

Construction programs

The Department has budgeted construction expenditures of approximately \$11,413,750 for 2022. As of December 31, 2021, approximately \$53,074 has been committed. The Department anticipates funding these expenditures through operations and bond proceeds.

Deregulation

The Department maintains the exclusive rights to supply electricity in the City of Westfield. If the Department were to open its geographic borders and allow competition from other providers, the potential impact on the Department's revenue cannot be reasonably estimated.

Coronavirus

The COVID-19 outbreak in the United States has caused significant business disruption. In response to this outbreak, the Department received an order from the Massachusetts Department of Public Utilities (the "DPU") stating that, until the state of emergency related to the Coronavirus is lifted, or the Department receives further communications from DPU, the Department shall not shut off utility service to any customer for failure to pay. This moratorium ended in July 2021. While the disruption caused by this outbreak is expected to be temporary, there is considerable uncertainty surrounding the duration, timing, and overall impact of this situation. Management is currently working to assess the overall impact on the Department's business operations. Any related financial impact to the Department cannot be reasonably estimated at this time.

Operating Leases

The Cooperative has a 50-year ground lease agreement with the Town of Southwick. The lease expires in 2057 with ten renewal options for five years each. The lease grants the Cooperative certain rights to use land for the purpose of constructing, installing, and operating a natural gas pipeline facility and conduits for telecommunication lines and other purposes from the Tennessee Gas Transmission Line to the Town line with the City of Westfield and further on to the point of distribution in the City of Westfield.

Lease payments are due on an annual basis per a payment schedule; which covers the initial 26 years. For the remainder of the lease, the annual lease payments are adjusted based on the Consumer Price Index. Future minimum commitments due are as follows at December 31:

2022	\$	23,759
2023		24,947
2024		26,195
2025		27,504
2026		28,879
2027-2057		1,627,164
		\$ 1,758,448

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Lease expense was \$22,628 for the year ended December 31, 2021.

The Department leases various office and transportation equipment under non-cancelable operating leases with monthly payments ranging from \$165 to \$2,781 due through June 2025. Rent expense totaled approximately \$85,281 for the year ended December 31, 2021.

The following is a schedule of future minimum lease payments required under operating lease at December 31:

2022	\$	77,531
2023		64,123
2024		38,916
2025		8,334
	<u>\$</u>	<u>188,904</u>

Collective Bargaining Agreements

The entire work force of the Department is covered by two collective bargaining agreements. One of these agreements, the Management Guild, covers approximately 32% of the work force and expires on February 28, 2023. The other contract with I.B.E.W. covers the remaining 68% of the work force and expires March 31, 2022. A new contract with I.B.E.W. was signed by the Municipal Light Board on July 6, 2022 and expires on March 31, 2025.

D. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued.

E. Tax Abatements

The City enters into property tax abatement agreements with local businesses under the Commonwealth of Massachusetts Economic Development Incentive Program Act of 1993 and as amended in 2009. Under this Act, state municipalities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining these businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City of Westfield. As of June 30, 2022, the City of Westfield abated property taxes amounting to \$231,701 under four tax abatement agreements. The City has not made any commitments as part of the agreements other than to reduce taxes.

F. Pension Plan

Plan Description

The City is a member of the Westfield Contributory Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Westfield Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 59 Court Street, Westfield, Massachusetts.

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The City is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan, to which the City does not contribute. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for the contributions and future benefit requirements of the MTRS.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is responsible by statute to make all actuarially determined contributions and future benefit requirements on behalf of the City to the MTRS. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in the MTRS. Since the City does not contribute directly to MTRS, there is no pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based upon each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2021. The City's portion of the collective pension expense contributed by the Commonwealth of \$8,988,569 on-behalf payments for the fiscal year ending June 30, 2022 is reported as intergovernmental revenues and employee benefits and insurance expenditures in the General Fund.

Benefits Provided

Both the System and MTRS provide retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. The authority for amending these provisions rests with the Massachusetts Legislature.

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

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

CITY OF WESTFIELD, MASSACHUSETTS
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Year Ended June 30, 2022

Contributions

MGL Chapter 32 governs the contributions of plan members and the City. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date of gross regular compensation with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The City is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The City's proportionate share of the required contribution to the System for the year ended December 31, 2021 was \$11,313,818, representing 26.30% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

Pension Liability

As of June 30, 2022, the City reported a liability of \$46,072,380 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2021, the City's proportional percentage was 98.16%, which was a slight increase from the last measurement.

Pension Expense

For the year ended June 30, 2022, the City recognized a pension cost of \$3,443,453 and reported deferred outflows of resources related to pensions of \$9,243,728 from the difference between expected and actual experience and change in assumptions; and deferred inflows of resources of \$29,394,995 from the net difference between projected and actual investment earnings on pension plan investments.

The City's deferred outflows of resources related to pensions will be recognized in the pension expense as follows;

<u>For years ended June 30,</u>	
2023	\$ (2,037,802)
2024	(8,652,804)
2025	(5,612,789)
2026	<u>(3,847,872)</u>
	<u>\$ (20,151,267)</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement that was rolled forward to December 31, 2021;

Valuation date	January 1, 2021
Actuarial cost method	Individual Entry Age Normal Cost Method

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Asset valuation method	5-year smoothed market value.
Investment rate of return	7.00% net of pension plan investment expense, including inflation
Projected salary increases	Select and ultimate by job group, ultimate rates of 4.25% for Group 1 and 4.75% for Group 4
Cost of living adjustments	3.0% per year (on the first \$13,000 of an allowance)
Mortality rates	Pre-retirement mortality reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020 (gender distinct). Post-retirement mortality reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020 (gender distinct). For disabled members, RP-2014 Blue Collar Healthy Annuitant table set forward one year projected generationally with Scale MP-2020 (gender distinct).

Long-term Expected Rate 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 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 rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
International Developed Equity	17.0%	6.4%
Core Fixed Income	16.0%	3.1%
Private Equity	14.5%	10.1%
Domestic Large Cap Equity	13.0%	6.3%
Real Estate	12.5%	6.0%
Emerging Markets Equity	7.0%	8.7%
Domestic Small Cap Equity	7.0%	6.3%
Domestic Middle Cap Equity	5.0%	6.3%
Other Alternatives	8.0%	5.4%
Total	100.0%	

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 14.86%.

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Notes to the Financial Statements
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Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance with Sections 22D and 22F of Chapter 32 of the Massachusetts General Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%. As well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's net pension liability	\$ 85,000,673	\$ 46,072,379	\$ 12,993,440

G. Other Post-Employment Benefits Payable

For 2022, the Post Employment Benefits Other Than Pensions disclosures include amounts related to GASB No. 74 and GASB No. 75 for Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans for the City and for the Westfield Gas and Electric Department (the Department) (as of December 31, 2021) Business-type activities. The liability for the City and the Department combined to equal the total net OPEB liability reported of \$329,863,857 on the Statement of Net Position.

GASB Statement No. 74 and GASB Statement No. 75

The cost of post-employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The City recognizes the cost of post-employment benefits in the year when the employee services are received. The City reports the accumulated liability from prior years and provides information useful in assessing potential demands on the City's future cash flows.

Plan Description

In addition to providing pension benefits, the City provides post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law Chapter 32. As of the actuarial valuation date, there are approximately 2,773 active and retired employees and dependents that meet the eligibility requirements. The plan does not issue a separate financial report.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Investment Policy

The City's policy in regard to the allocation of invested assets is established and may be amended by the City Council by majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the City's investment policy. As of June 30, 2022, investments, concentration and rate of return information consisted of pooled funds in the City's United Bank account described earlier under Deposits and Investments (refer to note 4A).

Funding Policy

The contribution requirements of plan members and the City are established and may be amended through City policy and member contracts. For the period ending on the June 30, 2022 Measurement date, total City premiums plus implicit costs for the retiree medical program are \$9,807,152. The City made a contribution to an OPEB Trust of \$200,000 for a total contribution during the measurement period of \$10,007,152. The City did establish a trust fund in order to contribute funds to reduce the future OPEB liability. As of June 30, 2022, the trust balance is \$1,070,254.

Measurement Date

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Plan Membership:

Current active members	1,141
Current retirees, beneficiaries and dependents	<u>1,632</u>
Total	<u><u>2,773</u></u>

Net OPEB Liability

The components of the net OPEB liability are as follows:

	<u>June 30, 2022</u>
Total OPEB liability	\$ 321,596,092
Less: Plan fiduciary net position	<u>(1,070,254)</u>
City's Net OPEB liability	<u><u>\$ 320,525,838</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.33%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement that was updated for the reporting date of June 30, 2022, unless otherwise specified:

Valuation date	July 1, 2021
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CITY OF WESTFIELD, MASSACHUSETTS
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Actuarial cost method	Individual Entry Age Normal
Single Equivalent Discount rate	4.09% annually
Investment rate of return	2.50% annually, net of OPEB plan investment expense, including inflation.
Participant salary increases	3.00% annually, as of June 30, 2022 and for future periods.
Inflation rate	2.50% annually, as of June 30, 2022 and for future periods.
Mortality rates	
Pre-retirement mortality:	
(General)	RP-2014 Mortality Table for Blue Collar Employees projected generationally with Scale MP-2016 for males and females, set forward one year for females.
(Teachers)	RP-2014 Mortality Table for White Collar Employees projected generationally with Scale MP-2016 for males and females.
Post-retirement mortality:	
(General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward one year for females.
(Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.
Disabled mortality:	
(General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward one year.
(Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females.

The actuarial assumptions used the July 1, 2021 actuarial valuation and market value of assets as of the measurement date of June 30, 2022 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Index (SAPIHG) was 4.09%.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Long-term Expected Rate of Return

The chart below shows how the long-term rate of return on assets is developed based on the City's Investment Policy:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity - Large Capital	0.00%	4.10%
Domestic Equity - Small/Mid Capital	0.00%	4.55%
International Equity - Developed Market	0.00%	4.64%
International Equity - Emerging Market	0.00%	5.45%
Domestic Fixed Income	0.00%	1.05%
International Fixed Income	0.00%	0.96%
Alternatives	0.00%	5.95%
Real Estate	0.00%	6.25%
Cash and Cash Equivalents	100.00%	0.00%
Total	100.00%	
I. Real Rate of Return		0.00%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		2.50%
IV. Less: Investment Expense		0.00%
V. Net investment Return (III.-IV.)		2.50%

* = Mean Geometric Returns based on 2022 Horizon Survey of Capital Market Assumptions.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 0.45%.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.09%. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the City's funding policy. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets is applied to the projected benefit payments which the Fiduciary Net Position is expected to be sufficient to cover and the Municipal Bond Rate is applied thereafter.

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Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2021	\$ 398,515,617	\$ 866,369	\$ 397,649,248
Service cost	10,327,988	-	10,327,988
Interest on Total OPEB Liability	9,089,264	-	9,089,264
Changes in benefit terms *	-	-	-
Changes in assumptions **	(76,627,837)	-	(76,627,837)
Difference between actual and expected experience **	(9,901,788)	-	(9,901,788)
Net investment income	-	3,885	(3,885)
Employer contributions to Trust	-	10,007,152	(10,007,152)
Total benefit payments including implicit cost	(9,807,152)	(9,807,152)	-
Net change in total OPEB liability	(76,919,525)	203,885	(77,123,410)
Balances at June 30, 2022	\$ 321,596,092	\$ 1,070,254	\$ 320,525,838

* = Recognized immediately

** = Amortized over 5 years

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

The following presents the City's net OPEB liability using a discount rate of 4.09% as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
	City's net OPEB liability	\$ 375,810,895	\$ 320,525,838

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

The following presents the City's net OPEB liability with the healthcare cost trend rate as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	City's net OPEB liability	\$ 273,565,392	\$ 320,525,838

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Summary of Significant Accounting Policies

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

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

For the year ended June 30, 2022, the GASB Statement No. 75 reporting period and fiscal year ending date, the City recognized an OPEB expense of \$18,347,055 and reported deferred outflows of resources related to OPEB of \$57,420,444 from the differences between actual and expected experience, changes in assumptions and the net difference between projected and actual earnings on OPEB plan investments; and deferred inflows of resources related to OPEB of \$69,223,701 from differences between actual and expected experience and changes in assumption.

The City's net deferred outflows/(inflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

For years ended June 30,	
2023	\$ 10,771,258
2024	5,385,696
2025	(10,658,337)
2026	(17,301,874)
	<u>\$ (11,803,257)</u>

Westfield Gas and Electric Department (the Department), December 31, 2021

The cost of post-employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Department recognizes the cost of post-employment benefits in the year when the employee services are received. The Department reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Department's future cash flows.

Plan Description

The Department offers medical insurance to eligible retirees, their dependents, or their survivors (via participation in plans offered by the City and the Westfield Contributory Retirement System with benefits provided by Blue Cross Blue Shield of Massachusetts and Health New England. The System is a defined benefit cost-sharing single-employer public employee retirement system administered by the Board. The Department obtains an individual actuarial valuation which shows their proportionate share of the Net OPEB Liability. Premiums are calculated based on prior year claim experiences and amounts needed to fund the plan. As of the actuarial valuation date, there are approximately 208 active, retired employees and dependents that meet the eligibility requirements.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Investment Policy

The Department's policy in regard to the allocation of invested assets is established and may be amended by the Department by majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Department's investment policy. As of December 31, 2021, investments, concentration and rate of return information consisted of pooled funds in the Department's investments.

Funding Policy

The contribution requirements of plan members and the Department are established and may be amended through Department policy and member contracts. For the period ending on the December 31, 2021 Measurement date, total Department premiums plus implicit costs for the retiree medical program are \$687,746. The Department made a contribution to an OPEB Trust of \$500,000 for a total contribution during the measurement period of \$1,187,746. The Department did establish a trust fund in order to contribute funds to reduce the future OPEB liability. As of December 31, 2021, the trust balance is \$5,707,861.

Measurement Date

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021.

Plan Membership:

Current active members	100
Current retirees, beneficiaries and dependents	108
Total	208

Net OPEB Liability

The components of the net OPEB liability are as follows:

	12/31/2021
Total OPEB liability	\$ 15,045,880
Less: Plan fiduciary net position	(5,707,861)
Department's Net OPEB liability	\$ 9,338,019
Plan fiduciary net position as a percentage of the total OPEB liability	37.94%

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement that was updated for the reporting date of December 31, 2021, unless otherwise specified:

Valuation date	January 1, 2021
Actuarial cost method	Individual Entry Age Normal
Single Equivalent Discount rate	5.50% annually, net of investment expenses
Participant salary increases	3.00% annually
Mortality rates	
Pre-retirement mortality:	RP-2014 Mortality Table, sex-distinct, for Blue Collar Employees projected generationally with Scale MP-2016 for males and females, set forward one year for females.
Post-retirement mortality:	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward one year for females.
Disabled mortality:	RP-2014 Mortality Table, sex-distinct, for Blue Collar Healthy Annuitants projected generationally with Scale MP-2016 for males and females, set forward one year for females.

The actuarial assumptions used the January 1, 2021 actuarial valuation and market value of assets as of the measurement date of December 31, 2021 were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Index with a rate of 2.25% was used.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments reflects the expected rate of return on plan assets adjusted for the expected rate of inflation. Note that the discount rate includes the effect on inflation. The long-term real rate of return removes the effect of inflation on the return amounts. It is the long-term assumption and is meant to reflect a best estimate of future experience, based on the expected asset allocation. The allocation percentages are based on information provided by the Department and the asset consultant. The real rates of return below are based on long-term nominal return estimates.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Best estimates of arithmetic real rates of return for each major class included in the target asset allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Large Capital	33.00%	4.42%
Internationally Developed Equity	4.25%	4.91%
Real Estate	4.50%	6.25%
Alternatives	6.25%	5.98%
International Fixed Income	2.75%	1.04%
Internationally Emerging Equity	2.00%	5.58%
Domestic Fixed Income	40.75%	1.00%
Domestic Equity - Small/Mid Cap	4.75%	4.81%
Cash	1.75%	0.00%
Total	100.00%	

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2020	\$ 14,643,346	\$ 4,630,643	\$ 10,012,703
Service cost	333,052	-	333,052
Interest on Total OPEB Liability	768,438	-	768,438
Changes in benefit terms *	-	-	-
Changes in assumptions **	1,137,280	-	1,137,280
Difference between actual and expected experience **	(1,148,490)	-	(1,148,490)
Net investment income	-	577,218	(577,218)
Employer contributions to Trust	-	1,187,746	(1,187,746)
Total benefit payments including implicit cost	(687,746)	(687,746)	-
Net change in total OPEB liability	402,534	1,077,218	(674,684)
Balances at December 31, 2021	\$ 15,045,880	\$ 5,707,861	\$ 9,338,019

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that member employer contributions will be made in accordance Massachusetts General Law Chapter 32. Based on those assumptions, the OPEB plan 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the Department's net OPEB liability using a discount rate of 5.50% as well as what the Department's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.50%) or 1-percentage-point higher (6.50%) than the current rate:

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Department's net OPEB liability	\$ 11,547,594	\$ 9,338,019	\$ 7,565,864

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

The following presents the Department's the net OPEB liability with the healthcare cost trend rate of as well as what the Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Department's net OPEB liability	\$ 7,422,151	\$ 9,338,019	\$ 11,736,926

Summary of Significant Accounting Policies

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

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

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

For the year ended December 31, 2021, the GASB Statement No. 75 reporting period, the Department recognized an OPEB income of \$412,690 and reported deferred outflows of resources related to OPEB of \$2,097,636 from the differences between actual and expected experience, changes in assumptions and the net difference between projected and actual earnings on OPEB plan investments; and deferred inflows of resources related to OPEB of \$1,854,006 from the differences between actual and expected experience and the net difference between projected and actual earnings on OPEB plan investments;.

The Department's net deferred outflows/(inflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

For years ended December 31,	
2022	\$ 159,381
2023	172,393
2024	(22,648)
2025	(65,496)
	<u>\$ 243,630</u>

H. Financial Statements for Individual Pension and Other Post Employment Benefit Trust Funds

GAAP requires that all pension and Other Post Employment Benefit Trust Funds be combined and presented in one column in the Fiduciary Funds' financial statements and that the individual financial statements for each trust fund plan be reported in the notes to the financial statements. The individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds' as Pension and Other Post Employment Benefit Trust Funds are as follows:

	Westfield Employees Retirement System Pension Trust Fund (as of December 31, 2021)	Gas and Electric Light Other Post Employment Benefits Trust Fund (as of December 31, 2021)	City Other Post Employment Benefit Trust Fund (as of June 30, 2022)	Total Pension and Other Post Employment Benefit Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 5,775,748	\$ 96,538	\$ 1,070,254	\$ 6,942,540
Investments	314,595,827	5,611,323	-	320,207,150
Accounts Receivable	105,174	-	-	105,174
Total Assets	<u>320,476,749</u>	<u>5,707,861</u>	<u>1,070,254</u>	<u>327,254,864</u>
LIABILITIES				
Warrants Payable	176,677	-	-	176,677
Total Liabilities	<u>176,677</u>	<u>-</u>	<u>-</u>	<u>176,677</u>
NET POSITION				
Restricted for Pensions	320,300,072	-	-	320,300,072
Restricted for Other Postemployment Benefits	-	5,707,861	1,070,254	6,778,115
	<u>\$ 320,300,072</u>	<u>\$ 5,707,861</u>	<u>\$ 1,070,254</u>	<u>\$ 327,078,187</u>

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

	Westfield Employees Retirement System Pension Trust Fund (as of December 31, 2021)	Gas and Electric Light Other Post Employment Benefits Trust Fund (as of December 31, 2021)	City Other Post Employment Benefit Trust Fund (as of June 30, 2022)	Total Pension and Other Post Employment Benefit Trust Funds
Additions				
Contributions:				
Employers	\$ 12,378,914	\$ 500,020	\$ 10,007,152	\$ 22,886,086
Plan Members	4,504,574	-	-	4,504,574
Transfers/Reimbursements from Other Systems	816,264	-	-	816,264
Intergovernmental	13,731	-	-	13,731
Commonwealth of Massachusetts - COLA	18,661	-	-	18,661
Total Contributions	<u>17,732,144</u>	<u>500,020</u>	<u>10,007,152</u>	<u>28,239,316</u>
Investment Income:				
Interest & Dividends	3,876,631	533,254	3,885	4,413,770
Net Change in Fair Value of Investments	37,698,655	65,210	-	37,763,865
Total Investment Earnings	<u>41,575,286</u>	<u>598,464</u>	<u>3,885</u>	<u>42,177,635</u>
Less Investment Expense	(2,112,647)	(21,266)	-	(2,133,913)
Net Investment Earnings	<u>39,462,639</u>	<u>577,198</u>	<u>3,885</u>	<u>40,043,722</u>
Total Additions	<u>57,194,783</u>	<u>1,077,218</u>	<u>10,011,037</u>	<u>68,283,038</u>
Deductions:				
Benefit Payments to Plan Members and Beneficiaries	21,758,762	-	9,807,152	31,565,914
Refunds to Members and Transfers to Other Systems	1,103,440	-	-	1,103,440
General Expenses	335,938	-	-	335,938
Total Deductions	<u>23,198,140</u>	<u>-</u>	<u>9,807,152</u>	<u>33,005,292</u>
Change in Net Position	<u>33,996,643</u>	<u>1,077,218</u>	<u>203,885</u>	<u>35,277,746</u>
Net Position at Beginning of Year	<u>286,303,429</u>	<u>4,630,643</u>	<u>866,369</u>	<u>291,800,441</u>
Net Position at End of Year	<u>\$ 320,300,072</u>	<u>\$ 5,707,861</u>	<u>\$ 1,070,254</u>	<u>\$ 327,078,187</u>

I. **Self-Insurance Funds.** The following funds comprise the Internal Service Fund:

Municipal Buildings Insurance Fund

The "municipal buildings insurance fund" was established pursuant to Section 13 of Chapter 40 of the Massachusetts General Laws. The fund may be used to repair, rebuild or replace any municipal buildings or other municipal property damaged, destroyed or lost by fire, lightning, vandalism, burglary, theft or otherwise. The balance of the fund on June 30, 2022 is \$158,726.

Unemployment Compensation Fund

The unemployment compensation fund was established pursuant to Section 5E of Chapter 40 of the Massachusetts General Laws. The fund is to provide for the anticipated costs of funding reimbursements to the Commonwealth for unemployment compensation benefits. The balance of the fund on June 30, 2022 is \$425,053.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Workmen's Compensation Fund

The workmen's compensation fund was established pursuant to Section 13A of Chapter 40 of the Massachusetts General Laws. The balance of the fund on June 30, 2022 is \$413,904.

Health Insurance Claims Trust

The "health insurance claims trust" was established for the City's health insurance. The balance of the fund at June 30, 2022 is \$17,104,546.

J. Implementation of New GASB Pronouncements

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2022. This statement redefined the manner in which long-term leases are accounted and reported for. The adoption of this standard required the City to increase its beginning balances in accounts receivable and deferred inflows of resources in the amounts of \$1,186,753 in the City's general fund.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, for implementation in fiscal year 2022. The adoption of this standard did not have a material impact on the City's financial statements.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal 2022. The adoption of this standard did not have a material impact on the City's financial statements.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, for implementation in fiscal year 2021 and 2022. The adoption of this standard did not have a material impact on the City's financial statements.

The GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, for implementation in fiscal year 2022. The adoption of this standard did not have a material impact on the City's financial statements.

K. Future GASB Pronouncements

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

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 99, *Omnibus 2022*, clarification on GASB No. 34 Management's Discussion and Analysis; on GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position; requirements related to leases and requirements related to derivative instruments for implementation in fiscal year 2023 and 2024.

CITY OF WESTFIELD, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB No. 62*, for implementation in fiscal year 2024.

The GASB issued Statement No. 101, *Compensated Absences*, for implementation in fiscal year 2025.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WESTFIELD, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Westfield Contributory Retirement System
For the Year Ended June 30, 2022**

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the City's proportion of the net pension liability and related ratios.

Schedule of the City's Proportionate Share of the Net pension Liability:

Measurement Date	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered employee payroll	Net pension liability percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2021	98.16%	\$ 46,072,380	\$ 43,016,659	107.10%	87.20%
12/31/2020	98.10%	\$ 69,617,645	\$ 42,990,362	161.94%	80.10%
12/31/2019	97.71%	\$ 80,908,764	\$ 41,311,787	195.85%	75.60%
12/31/2018	98.12%	\$ 96,825,802	\$ 39,990,770	242.12%	69.10%
12/31/2017	98.24%	\$ 69,908,565	\$ 40,039,676	174.60%	76.90%
12/31/2016	98.17%	\$ 78,085,403	\$ 37,171,091	210.07%	72.30%
12/31/2015	98.02%	\$ 77,578,834	\$ 37,114,293	209.03%	71.40%
12/31/2014	98.15%	\$ 62,435,180	\$ 34,931,586	178.74%	75.50%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

CITY OF WESTFIELD, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Westfield Contributory Retirement System
For the Year Ended June 30, 2022

The Schedule of the Employer Contributions presents multiyear trend information on the City's required and actual payments to the pension plan and related ratios.

Schedule of the City's Contributions:

Measurement Date	Actuarially determined contribution	Less: Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	City's covered employee payroll	Contributions percentage of covered employee payroll
12/31/2021	\$ 11,313,818	\$ (11,313,818)	\$ -	\$ 43,016,659	26.30%
12/31/2020	\$ 11,485,823	\$ (11,485,823)	\$ -	\$ 42,990,362	26.72%
12/31/2019	\$ 10,816,169	\$ (10,816,169)	\$ -	\$ 41,311,787	26.18%
12/31/2018	\$ 10,263,042	\$ (10,263,042)	\$ -	\$ 39,990,770	25.66%
12/31/2017	\$ 9,711,444	\$ (9,711,444)	\$ -	\$ 40,039,676	24.25%
12/31/2016	\$ 9,242,904	\$ (9,242,904)	\$ -	\$ 37,171,091	24.87%
12/31/2015	\$ 8,791,724	\$ (8,791,724)	\$ -	\$ 37,114,293	23.69%
12/31/2014	\$ 8,382,021	\$ (8,382,021)	\$ -	\$ 34,931,586	24.00%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

CITY OF WESTFIELD, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Total OPEB liability			
Service cost	\$ 10,327,988	\$ 8,599,289	\$ 8,366,289
Interest on net OPEB liability	9,089,264	9,901,632	7,501,945
Changes in Benefit terms	-	-	-
Changes in Assumptions	(76,627,837)	33,197,082	58,706,968
Difference between actual and expected experience	(9,901,788)	-	21,506,089
Benefit payments, including refunds of member contributions	(9,807,152)	(9,222,317)	(8,885,903)
Net change in total OPEB liability	(76,919,525)	42,475,686	87,195,388
Total OPEB liability-beginning	398,515,617	356,039,931	268,844,543
Total OPEB liability-ending (a)	<u>\$ 321,596,092</u>	<u>\$ 398,515,617</u>	<u>\$ 356,039,931</u>
Plan fiduciary net position			
Net investment income	\$ 3,885	\$ 802	\$ 13,417
Employer contributions to Trust	10,007,152	9,242,317	8,905,903
Benefit payments, including refunds of member contributions	(9,807,152)	(9,222,317)	(8,885,903)
Net change in plan fiduciary net position	203,885	20,802	33,417
Total fiduciary net position-beginning	866,369	845,567	812,150
Total fiduciary net position-ending (b)	<u>\$ 1,070,254</u>	<u>\$ 866,369</u>	<u>\$ 845,567</u>
City's net OPEB liability (a-b)	<u>\$ 320,525,838</u>	<u>\$ 397,649,248</u>	<u>\$ 355,194,364</u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

CITY OF WESTFIELD, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability			
Service cost	\$ 8,630,395	\$ 6,653,680	\$ 12,113,539
Interest on net OPEB liability	8,294,667	8,247,554	10,155,366
Changes in Benefit terms	-	-	-
Changes in Assumptions	26,917,327	(9,008,693)	27,283,821
Difference between actual and expected experience	-	(53,647)	(86,833,882)
Benefit payments, including refunds of member contributions	(6,658,592)	(6,283,660)	(7,319,046)
Net change in total OPEB liability	37,183,797	(444,766)	(44,600,202)
Total OPEB liability-beginning	231,660,746	232,105,512	276,705,714
Total OPEB liability-ending (a)	<u>\$ 268,844,543</u>	<u>\$ 231,660,746</u>	<u>\$ 232,105,512</u>
Plan fiduciary net position			
Difference between actual and expected experience	\$ -	\$ -	\$ (332)
Net investment income	11,287	(166)	423
Employer contributions to Trust	6,678,592	7,012,856	7,319,046
Benefit payments, including refunds of member contributions	(6,658,592)	(6,283,660)	(7,319,046)
Net change in plan fiduciary net position	31,287	729,030	91
Total fiduciary net position-beginning	780,863	51,833	51,742
Total fiduciary net position-ending (b)	<u>\$ 812,150</u>	<u>\$ 780,863</u>	<u>\$ 51,833</u>
City's net OPEB liability (a-b)	<u>\$ 268,032,393</u>	<u>\$ 230,879,883</u>	<u>\$ 232,053,679</u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

CITY OF WESTFIELD, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Net OPEB Liability:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Total OPEB liability	\$ 321,596,092	\$ 398,515,617	\$ 356,039,931
Less: Plan fiduciary net position	<u>(1,070,254)</u>	<u>(866,369)</u>	<u>(845,567)</u>
City's Net OPEB liability	<u>\$ 320,525,838</u>	<u>\$ 397,649,248</u>	<u>\$ 355,194,364</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.33%	0.22%	0.24%
City's share of covered employee payroll	\$ 73,911,422	\$ 85,825,967	\$ 83,326,182
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	433.66%	463.32%	426.27%

Schedule of Contributions:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Benefit payments	\$ 22,722,556	\$ 20,497,693	\$ 19,793,639
Less: Contributions in relation to the benefit payments	<u>(10,007,152)</u>	<u>(9,242,317)</u>	<u>(8,905,903)</u>
Contribution deficiency (excess)	<u>\$ 12,715,404</u>	<u>\$ 11,255,376</u>	<u>\$ 10,887,736</u>
City's share of covered employee payroll	\$ 73,911,422	\$ 85,825,967	\$ 83,326,182
Contributions percentage of covered-employee payroll	13.54%	10.77%	10.69%
Annual money-weighted rate of return net of investment expense	0.45%	0.09%	1.62%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

CITY OF WESTFIELD, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Net OPEB Liability:

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB liability	\$ 268,844,543	\$ 231,660,746	\$ 232,105,512
Less: Plan fiduciary net position	<u>(812,150)</u>	<u>(780,863)</u>	<u>(51,833)</u>
City's Net OPEB liability	<u>\$ 268,032,393</u>	<u>\$ 230,879,883</u>	<u>\$ 232,053,679</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.30%	0.34%	0.02%
City's share of covered employee payroll	\$ 91,725,160	\$ 89,053,554	\$ 89,053,554
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	292.21%	259.26%	260.58%

Schedule of Contributions:

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarially determined contribution	\$ 21,512,754	\$ 18,782,421	\$ 18,969,296
Less: Contributions in relation to the actuarially determined contribution	<u>(6,678,592)</u>	<u>(7,012,856)</u>	<u>(6,983,660)</u>
Contribution deficiency (excess)	<u>\$ 14,834,162</u>	<u>\$ 11,769,565</u>	<u>\$ 11,985,636</u>
City's share of covered employee payroll	\$ 91,725,160	\$ 89,053,554	\$ 89,053,554
Contributions percentage of covered-employee payroll	7.28%	7.87%	7.84%
Annual money-weighted rate of return net of investment expense	1.43%	(.04%)	1.35%

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CITY OF WESTFIELD, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Funding Progress:

Other Post Employment Benefits						
Measurement Date	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)
6/30/2022	\$ 1,070,254	\$ 321,596,092	\$ 320,525,838	0.3%	\$ 73,911,422	433.7%
6/30/2021	\$ 866,369	\$ 398,515,617	\$ 397,649,248	0.2%	\$ 85,825,967	463.3%
6/30/2020	\$ 845,567	\$ 356,039,931	\$ 355,194,364	0.2%	\$ 83,326,182	426.3%
6/30/2019	\$ 812,150	\$ 268,844,543	\$ 268,032,393	0.3%	\$ 91,725,160	292.2%
6/30/2018	\$ 780,863	\$ 231,660,746	\$ 230,879,883	0.3%	\$ 89,053,554	259.3%
6/30/2017	\$ 51,833	\$ 232,105,512	\$ 232,053,679	0.0%	\$ 89,053,554	260.6%

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**CITY OF WESTFIELD, MASSACHUSETTS
GAS AND ELECTRIC LIGHT DEPARTMENT
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended December 31, 2021**

Schedule of Changes in the Net OPEB Liability:

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Total OPEB liability				
Service cost	\$ 333,052	\$ 322,713	\$ 289,351	\$ 283,267
Interest on net OPEB liability	768,438	759,278	771,563	740,235
Changes in Benefit terms	-	-	-	-
Changes in Assumptions	1,137,280	412,029	2,021,462	-
Difference between actual and expected experience	(1,148,490)	-	(1,017,528)	42,099
Benefit payments, including refunds of member contributions	<u>(687,746)</u>	<u>(657,235)</u>	<u>(618,520)</u>	<u>(523,786)</u>
Net change in total OPEB liability	402,534	836,785	1,446,328	541,815
Total OPEB liability-beginning	<u>14,643,346</u>	<u>13,806,561</u>	<u>12,360,233</u>	<u>11,818,418</u>
Total OPEB liability-ending (a)	<u>\$ 15,045,880</u>	<u>\$ 14,643,346</u>	<u>\$ 13,806,561</u>	<u>\$ 12,360,233</u>
Plan fiduciary net position				
Net investment income	\$ 577,218	\$ 399,082	\$ 521,119	\$ (133,538)
Employer contributions to Trust	1,187,746	1,157,235	1,118,520	1,148,786
Benefit payments, including refunds of member contributions	<u>(687,746)</u>	<u>(657,235)</u>	<u>(618,520)</u>	<u>(523,786)</u>
Net change in plan fiduciary net position	1,077,218	899,082	1,021,119	491,462
Total fiduciary net position-beginning	<u>4,630,643</u>	<u>3,731,561</u>	<u>2,710,442</u>	<u>2,218,980</u>
Total fiduciary net position-ending (b)	<u>\$ 5,707,861</u>	<u>\$ 4,630,643</u>	<u>\$ 3,731,561</u>	<u>\$ 2,710,442</u>
Department's net OPEB liability (a-b)	<u>\$ 9,338,019</u>	<u>\$ 10,012,703</u>	<u>\$ 10,075,000</u>	<u>\$ 9,649,791</u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

**CITY OF WESTFIELD, MASSACHUSETTS
GAS AND ELECTRIC LIGHT DEPARTMENT
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended December 31, 2021**

Schedule of Net OPEB Liability:

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Total OPEB liability	\$ 15,045,880	\$ 14,643,346	\$ 13,806,561	\$ 12,360,233
Less: Plan fiduciary net position	<u>(5,707,861)</u>	<u>(4,630,643)</u>	<u>(3,731,561)</u>	<u>(2,710,442)</u>
Department's Net OPEB liability	<u>\$ 9,338,019</u>	<u>\$ 10,012,703</u>	<u>\$ 10,075,000</u>	<u>\$ 9,649,791</u>
Plan fiduciary net position as a percentage of the total OPEB liability	37.94%	31.62%	27.03%	21.93%
Department's share of covered employee payroll	\$ 9,306,924	\$ 7,910,353	\$ 7,679,954	\$ 8,110,383
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	100.33%	126.58%	131.19%	118.98%

Schedule of Contributions:

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Actuarially determined contribution	\$ 687,746	\$ 657,235	\$ 618,520	\$ 523,786
Less: Contributions in relation to the actuarially determined contribution	<u>(1,187,746)</u>	<u>(1,157,235)</u>	<u>(1,118,520)</u>	<u>(1,148,786)</u>
Contribution deficiency (excess)	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	<u>\$ (625,000)</u>
Department's share of covered employee payroll	\$ 9,306,924	\$ 7,910,353	\$ 7,679,954	\$ 8,110,383
Contributions percentage of covered-employee payroll	12.76%	14.63%	14.56%	14.16%
Annual money-weighted rate of return net of investment expense	N/A	N/A	N/A	N/A

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**CITY OF WESTFIELD, MASSACHUSETTS
GAS AND ELECTRIC LIGHT DEPARTMENT
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended December 31, 2021**

Schedule of Funding Progress:

Other Post Employment Benefits							
Measurement Date	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)	
12/31/2021	\$ 5,707,861	\$ 15,045,880	\$ 9,338,019	37.9%	\$ 9,306,924	100.3%	
12/31/2020	\$ 4,630,643	\$ 14,643,346	\$ 10,012,703	31.6%	\$ 7,910,353	126.6%	
12/31/2019	\$ 3,731,561	\$ 13,806,561	\$ 10,075,000	27.0%	\$ 7,679,954	131.2%	
12/31/2018	\$ 2,710,442	\$ 12,360,233	\$ 9,649,791	21.9%	\$ 8,110,383	119.0%	

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

SUPPLEMENTARY SCHEDULE

CITY OF WESTFIELD, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Special Revenue:					
Federal and State Grants:					
School Grants	\$ 626,829	\$ 9,770,326	\$ 8,667,788	\$ -	\$ 1,729,367
Airport Grants	30,639	3,836,795	3,855,370	(4,110)	7,954
American Rescue Plan Act Health Grant	-	100,000	-	-	100,000
Arts Lottery Council Grant	30,833	37,433	38,634	-	29,632
Community Development Block Grants	(10,646)	641,841	637,622	-	(6,427)
Council on Aging Grants	35,598	95,904	95,217	-	36,285
Emergency Management Agency Grants	(21,137)	193,821	228,466	-	(55,782)
Highway Grants	5,777	702,636	702,636	-	5,777
Library Grants	-	100,409	100,409	-	-
Other Grants and Programs	167,201	89,465	66,098	-	190,568
Public Safety Grants	196,162	407,102	356,527	-	246,737
Trail Grants	359,900	147,200	345,200	-	161,900
Schools:					
School Lunch Revolving	1,171,010	4,069,920	2,248,475	-	2,992,455
School Lunch Commodities	-	208,969	208,969	-	-
School Choice Revolving	2,181,278	1,065,552	602,079	-	2,644,751
School Private Grants	111,174	63,951	108,103	-	67,022
School Revolving Accounts	567,743	503,801	520,546	-	550,998
School Student Activity Funds	218,121	232,520	225,997	-	224,644
State Special Education Reimbursement Fund	1,651,888	1,627,773	1,651,887	-	1,627,774
Other:					
Ambulance	2,230,866	3,462,360	3,355,505	(174,903)	2,162,818
Animal Control	115,897	17,466	14,883	-	118,480
Bid Revolving	(1,580)	-	-	-	(1,580)
Cable Access	1,197,639	387,135	264,477	-	1,320,297
Center for Technical and Civic Life	424	-	424	-	-
Community Preservation Fund	1,778,475	771,442	538,862	-	2,011,055
Conservation Funds	90,289	4,630	1,420	-	93,499
Total Special Revenue Funds Page 105	\$ 12,734,380	\$ 28,538,451	\$ 24,835,594	\$ (179,013)	\$ 16,258,224

**CITY OF WESTFIELD, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Continued From Page 105	\$ 12,734,380	\$ 28,538,451	\$ 24,835,594	\$ (179,013)	\$ 16,258,224
Special Revenue (continued):					
Other (continued):					
Conservation Restriction	94,241	-	-	-	94,241
Economic Development Fund	11,210	-	-	-	11,210
Extra Duty - Fire & Police	(124)	1,382,438	1,382,314	-	-
Fire Permits and Fees	10,070	4,625	2,345	-	12,350
Gifts and Donations	686,752	179,992	159,712	-	707,032
Handicapped Parking Violations	36,410	3,150	-	-	39,560
Insurance and Non-Contributory Funds	32,407	61,966	21,954	-	72,419
Law Enforcement	56,154	134,580	48,986	-	141,748
Off-street Lot Maintenance	47,491	25,588	17,543	-	55,536
Other Programs	19,850	83,502	72,097	-	31,255
Parks and Recreation Revolving	105,828	196,941	161,188	-	141,581
Premium on Bonds	241,265	-	167,429	184,408	258,244
Sale of Inventory and Land	11,146	-	-	-	11,146
Southwick Easements	175	-	-	-	175
Stormwater Management	704,186	846,436	464,677	-	1,085,945
Tax Title Revolving	37,718	32,875	3,305	-	67,288
Towing and Storage Motor Vehicles Reserve	64,586	36,950	-	(38,387)	63,149
Transportation Infrastructure	13,323	727	-	-	14,050
Utility and Infrastructure	49,169	-	-	-	49,169
Westfield Redevelopment Authority Fund	40,927	15,000	-	-	55,927
Sarah Gillette Fund	25	-	-	-	25
Total Special Revenue Funds	14,997,189	31,543,221	27,337,144	(32,992)	19,170,274
Capital Projects:					
Airport Projects	(606,995)	-	-	633,110	26,115
Departmental Vehicles and Equipment	997	-	1,388,532	1,388,532	997
Total Capital Projects Page 106	\$ (605,998)	\$ -	\$ 1,388,532	\$ 2,021,642	\$ 27,112

CITY OF WESTFIELD, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Continued From Page 106	\$ (605,998)	\$ -	\$ 1,388,532	\$ 2,021,642	\$ 27,112
Capital Projects (Continued):					
Highway and Road Projects	109,568	-	42,896	30,000	96,672
Massachusetts School Building Administration:					
Ashley Street Elementary School Construction	209,498	-	-	-	209,498
Other School Projects	141	-	-	-	141
Total Capital Projects	(286,791)	-	1,431,428	2,051,642	333,423
Perpetual Permanent Funds:					
Cemetery Perpetual Care Funds	3,700	-	-	-	3,700
Florence Fuller Whitney	5,000	-	-	-	5,000
Mary Noble	10,000	-	-	-	10,000
Post War Rehabilitation	3,470	-	-	-	3,470
Total Perpetual Permanent Funds	22,170	-	-	-	22,170
Permanent Funds:					
Cemetery Perpetual Care Funds	4,962	14	-	-	4,976
Florence Fuller Whitney Fund	3,936	13	-	-	3,949
Mary Noble Fund	3,539	20	-	-	3,559
Post War Rehabilitation Fund	3,536	11	-	-	3,547
Total Permanent Funds	15,973	58	-	-	16,031
Total - Non-Major Governmental Funds	\$ 14,748,541	\$ 31,543,279	\$ 28,768,572	\$ 2,018,650	\$ 19,541,898