BERLIN-BOYLSTON REGIONAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(With Independent Auditors' Report Thereon)

Draft 1/12/26

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BERLIN-BOYLSTON REGIONAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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Independent Auditors' Report

To the Honorable School Committee
Berlin-Boylston Regional School District
Boylston, Massachusetts

Draft 1/12/26

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Berlin-Boylston Regional School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 District, 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated, _____, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's, internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Merrimack, NH
_____, 2026

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Management's Discussion and Analysis

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Berlin-Boylston Regional School District

Management's Discussion and Analysis

Year Ended June 30, 2024

As management of the Berlin-Boylston Regional School District, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2024. The District complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis are part of these requirements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Berlin-Boylston Regional School District's basic financial statements. These basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

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

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

Both of the government-wide financial statements distinguish functions that are principally supported by member town assessment 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 administration, instructional support, student services, facility maintenance, interest, depreciation, programs with other districts, federal and state grants, employee benefits and insurance. The District had no business type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental 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 year. Such information may be useful in evaluating a District's near-term financing requirements.

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

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

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 District's own programs. The accounting used for fiduciary funds is much like that used for the government-wide financial statements.

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.

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 exceeded liabilities and deferred inflows by $914,000 at the close of 2024.

	2024	2023
Assets:		
Current assets	$ 6,774,498	$ 5,462,518
Capital assets, non depreciable	19,801	19,801
Capital assets, net of accumulated depreciation.	33,532,188	34,047,323
Total assets	**40,326,487**	**39,529,642**
Deferred outflows of resources	**5,482,746**	**5,701,458**
Liabilities:		
Current liabilities (excluding debt)	1,737,549	1,225,364
Noncurrent liabilities (excluding debt)	23,330,791	20,528,185
Current debt	1,396,200	1,376,235
Noncurrent debt	9,290,331	10,686,531
Total liabilities	**35,754,871**	**33,816,315**
Deferred inflows of resources	**9,140,808**	**10,910,646**
Net position:		
Net investment in capital assets	22,865,458	22,004,358
Restricted	4,265,597	3,314,551
Unrestricted	(26,217,501)	(24,814,770)
Total net position	$ **913,554**	$ **504,139**

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Net position of $22.9 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to pupils; 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, $4.3 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* reflects a deficit of $26.2 million, which primarily relates to the impact of the $18.6 million other postemployment benefits liability and the net pension liability of $4.7 million.

The governmental activities net position increased by $409,000 in 2024. This increase is primarily due to a $794,000 increase from the net change in governmental fund balances and the current year amortization of unamortized premiums on long-term debt. These increases were offset by decreases from the change in the net OPEB and net pension liabilities and the related deferred inflows/outflows of resources.

	2024	2023
Program Revenues:		
Charges for services	$ 501,856	$ 451,516
Operating grants and contributions	5,755,659	5,673,659
General Revenues:		
Member town assessments	21,550,920	17,905,665
Grants and contributions not restricted to specific programs	2,949,878	2,529,199
Unrestricted investment income	298,067	124,191
Miscellaneous	477,091	184,490
Total revenues	**31,533,471**	**26,868,720**
Expenses:		
District administration	1,031,140	1,128,899
Instructional support	13,310,127	11,679,367
Transportation services	972,874	740,014
Cafeteria services	806,792	622,682
Athletics & student activities	246,233	245,371
Other school services	596,501	473,930
Facilities	2,313,969	1,562,752
Interest	160,707	177,096
Depreciation	1,207,129	1,162,144
Programs with other school districts (tuitions)	2,743,474	1,749,172
Federal and state grants	75,572	692,297
Employee benefits	7,552,590	6,506,931
Insurance	106,948	103,682
Total expenses	**31,124,056**	**26,844,337**
Change in net position	**409,415**	**24,383**
Net position, beginning of year	**504,139**	**479,756**
Net position, end of year	$ **913,554**	$ **504,139**

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Financial Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

At the end of the current year governmental funds reported combined ending fund balances of $5.1 million, an increase of $794,000 from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was $669,000 and assigned fund balance was $150,000, which relates to a reservation of excess and deficiency used to fund the subsequent years' budget. See Note 8 for further details.

The school choice fund balance totaled $2.9 million at the end of the current year, an increase of $486,000 when compared to the prior year. For the year ended June 30, 2024, the school choice fund recognized revenues of $487,000 and expenditures of $2,000.

The circuit breaker fund balance totaled $737,000 at the end of the current year, an increase of $470,000 when compared to the prior year. For the year ended June 30, 2024, the circuit breaker fund recognized revenues of $999,000 and expenditures of $530,000.

General Fund Budgetary Highlights

The original 2024 approved budget for the General Fund authorized $25.7 million in appropriations, which includes $97,000 of carryforwards from the prior year. There was no change between the original budget and the final budget.

General fund revenues were $325,000 more than budgeted and general fund expenditures were $324,000 under budget.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2024, amounts to $33.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. There were capital asset additions of $692,000 related to building improvements, and machinery and equipment purchases.

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Debt Administration

The District maintains an Aa3 Bond Rating with Moody's Investors Service, Inc. on its long-term debt. At the end of the year, the District had total long-term bonded debt outstanding of $10.7 million.

Please refer to notes 4, 6 and 7 for further discussion of the major capital and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Berlin-Boylston Regional School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Operations, Berlin-Boylston Regional School District, 215 Main Street, Boylston, MA 01505.

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Basic Financial Statements

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Berlin-Boylston Regional School District

Statement of Net Position

June 30, 2024

	Primary Governmen
	Governmental Activities
ASSETS	
CURRENT:	
Cash and cash equivalents	$ 5,776,892
Receivables, net of allowance for uncollectibles:	
Departmental and other	240,356
Intergovernmental	757,250
Total current assets	6,774,498
NONCURRENT:	
Capital assets, nondepreciable	19,801
Capital assets, net of accumulated depreciation	33,532,188
Total noncurrent assets	33,551,989
TOTAL ASSETS	40,326,487
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,468,294
Deferred outflows related to other postemployment benef	4,014,452
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,482,746
LIABILITIES	
CURRENT:	
Warrants payable	326,010
Accrued payroll	999,718
Accrued interest	47,896
Other liabilities	363,925
Bonds payable	1,396,200
Total current liabilities	3,133,749
NONCURRENT:	
Net pension liability	4,721,206
Net other postemployment benefits liability	18,609,585
Bonds payable	9,290,331
Total noncurrent liabilities	32,621,122
TOTAL LIABILITIES	35,754,871
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	135,536
Deferred inflows related to other postemployment benefit	9,005,272
TOTAL DEFERRED INFLOWS OF RESOURCES	9,140,808
NET POSITION	
Net investment in capital assets	22,865,458
Restricted for:	
Gifts, grants and other purposes	4,265,597
Unrestricted	(26,217,501)
TOTAL NET POSITION	$ 913,554

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See notes to basic financial statements.

Berlin-Boylston Regional School District

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue
Primary Government:				
Governmental Activities:				
District administration	$ 1,031,140	$ -	$ -	$ (1,031,140)
Instructional support	13,310,127	352,459	516,554	(12,441,114)
Transportation services	972,874	-	355,539	(617,335)
Cafeteria services	806,792	40,880	670,711	(95,201)
Athletics and student activities	246,233	93,555	-	(152,678)
Other school services	596,501	-	-	(596,501)
Facilities	2,313,969	14,962	-	(2,299,007)
Interest	160,707	-	-	(160,707)
Depreciation	1,207,129	-	-	(1,207,129)
Programs with other school districts (tuitions)	2,743,474	-	999,492	(1,743,982)
Federal and state grants	75,572	-	297,166	221,594
Employee benefits	7,552,590	-	2,916,197	(4,636,393)
Insurance	106,948	-	-	(106,948)
Total Governmental Activities	$ 31,124,056	$ 501,856	$ 5,755,659	$ **(24,866,541)**

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See notes to basic financial statements.

Berlin-Boylston Regional School District

Statement of Activities

Year Ended June 30, 2024

		Primary Governmen
		Governmental Activities
Changes in net position:		
Net (expense) revenue from previous page	$	**(24,866,541)**
General revenues:		
Member town assessments		21,550,920
Grants and contributions not restricted to specific programs		2,949,878
Unrestricted investment income		298,067
Miscellaneous revenue		477,091
Total general revenues and special item		25,275,956
Change in net position		409,415
Net position:		
Beginning of year		504,139
End of year	$	913,554

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See notes to basic financial statements.

Berlin-Boylston Regional School District

Governmental Funds
Balance Sheet

June 30, 2024

	General	School Choice	Circuit Breaker	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,256,176	$ 2,854,896	$ 584,458	$ 81,362	$ 5,776,892
Receivables, net of uncollectibles:					
Departmental and other	-	-	-	240,356	240,356
Intergovernmental	191,946	-	163,201	402,103	757,250
TOTAL ASSETS	$ 2,448,122	$ 2,854,896	$ 747,659	$ 723,821	$ 6,774,498
LIABILITIES					
Warrants payable	$ 397,201	$ -	$ 10,738	$ 50,041	$ 457,980
Accrued payroll	999,718	-	-	-	999,718
Other liabilities	231,955	-	-	-	231,955
TOTAL LIABILITIES	1,628,874	-	10,738	50,041	1,689,653
FUND BALANCES					
Restricted	-	2,854,896	736,921	673,780	4,265,597
Assigned	150,000	-	-	-	150,000
Unassigned	669,248	-	-	-	669,248
TOTAL FUND BALANCES	819,248	2,854,896	736,921	673,780	5,084,845
TOTAL LIABILITIES AND FUND BALANCES	$ 2,448,122	$ 2,854,896	$ 747,659	$ 723,821	$ 6,774,498

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See notes to basic financial statements.

Berlin-Boylston Regional School District

Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position

June 30, 2024

Total governmental fund balances		$ 5,084,845
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds		33,551,989
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 reported		(3,658,062)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due		(47,896)
Long-term liabilities are not due and payable in the current period and, therefor are not reported in the governmental funds:		
Bonds payable	(10,686,531)	
Net pension liability	(4,721,206)	
Net other postemployment benefits liability	(18,609,585)	
Net effect of reporting long-term liabilities		(34,017,322)
Net position of governmental activities		$ 913,554

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See notes to basic financial statements.

Berlin-Boylston Regional School District

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2024

	General	School Choice	Circuit Breaker	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Member town assessments	$ 21,550,920	$ -	$ -	$ -	$ 21,550,920
Intergovernmental	3,333,094	487,397	999,492	967,877	5,787,860
Intergovernmental - teachers retirement	2,916,197	-	-	-	2,916,197
Fees and rentals	-	-	-	501,856	501,856
Contributions and donations	-	-	-	1,480	1,480
Investment income	295,104	-	-	2,963	298,067
Miscellaneous revenue	35,087	-	-	442,004	477,091
TOTAL REVENUES	28,130,402	487,397	999,492	1,916,180	31,533,471
EXPENDITURES:					
Current:					
District administration	1,031,140	-	-	-	1,031,140
Instructional support	13,032,619	1,761	-	275,747	13,310,127
Transportation services	972,542	82	-	250	972,874
Athletics and student activities	137,973	-	-	108,260	246,233
Facilities	1,425,228	-	-	280,602	1,705,830
Employee benefits	3,384,913	-	-	-	3,384,913
Pension benefits - teachers retirement	2,916,197	-	-	-	2,916,197
Insurance	106,948	-	-	-	106,948
Other school services	453,041	-	-	143,460	596,501
Programs with other school districts (tuitions)	2,003,477	-	529,570	210,427	2,743,474
Food services	-	-	-	806,792	806,792
Federal and state grants	-	-	-	75,572	75,572
Capital outlay	1,280,633	-	-	19,500	1,300,133
Debt service:					
Debt service principal	1,040,000	-	-	-	1,040,000
Interest	502,400	-	-	-	502,400
TOTAL EXPENDITURES	28,287,111	1,843	529,570	1,920,610	30,739,134
NET CHANGE IN FUND BALANCES	(156,709)	485,554	469,922	(4,430)	794,337
FUND BALANCES AT 6/30/2023, AS PREVIOUSLY REPORTED	975,957	2,369,342	-	945,209	4,290,508
ADJUSTMENT - CHANGE FROM NONMAJOR TO MAJOR FUND	-	-	266,999	(266,999)	(266,999)
FUND BALANCES AT BEGINNING OF YEAR	975,957	2,369,342	266,999	678,210	4,290,508
FUND BALANCES AT END OF YEAR	$ 819,248	$ 2,854,896	$ 736,921	$ 673,780	$ 5,084,845

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See notes to basic financial statements.

Berlin-Boylston Regional School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2024

Net change in fund balances - total governmental funds		$ 794,337
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	691,994	
Depreciation expense	(1,207,129)	
Depreciation expense		(515,135)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.		
Net amortization of premium from issuance of bonds	336,235	
Debt service principal payments	1,040,000	
Net effect of reporting long-term debt		1,376,235
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net change in accrued interest on long-term debt	5,458	
Net change in deferred outflow/(inflow) of resources related to pensions	(108,405)	
Net change in net pension liability	(339,274)	
Net change in deferred outflow/(inflow) of resources related to other postemployment be	1,659,531	
Net change in net other postemployment benefits liability	(2,463,332)	
Net effect of recording long-term liabilities		(1,246,022)
Change in net position of governmental activities		$ 409,415

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See notes to basic financial statements.

Berlin-Boylston Regional School District

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2024

	Other Postemployment Benefits Trust Fund	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents	$ -	$ 3,472
Investments:		
Mutual funds	276,473	-
TOTAL ASSETS	276,473	3,472
NET POSITION		
Restricted for other postemployment benefits	276,473	-
Held in trust for other purposes	-	3,472
TOTAL NET POSITION	$ 276,473	$ 3,472

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See notes to basic financial statements.

Berlin-Boylston Regional School District

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Other Postemployment Benefits Trust Fund	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions for other postemployment benefit payments	$ 348,179	$ -
Net investment income:		
Investment income	29,077	2
TOTAL ADDITIONS	377,256	2
DEDUCTIONS:		
Other postemployment benefit payments	348,179	-
NET INCREASE (DECREASE) IN NET POSITION	29,077	2
NET POSITION AT BEGINNING OF YEAR	247,396	3,470
NET POSITION AT END OF YEAR	$ 276,473	$ 3,472

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See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Berlin-Boylston Regional School District (District) 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 accounting policies are described herein.

A. Reporting Entity

The Berlin-Boylston Regional School District began operation in 1959 and operates under a regional agreement. The District is comprised of the Towns of Berlin and Boylston and serves the educational needs of students in grades pre-kindergarten through 12. The form of government is an elected six-member school committee, which is responsible for appointing a Superintendent who is the chief operating official for the District.

The District operates the Tahanto Regional High and Middle School, the Boylston Elementary School and the Berlin Memorial Elementary School. The District is responsible for the operating costs that are apportioned among the member towns based on State law, student enrollment, and the regional agreement. Capital costs are apportioned to the member towns based on the regional agreement.

As required by GAAP, these financial statements present the District (the primary government) and its component units. It has been determined that there are no component units that meet the requirements for inclusion in the District's financial statements.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. *Governmental activities* are primarily supported by taxes and intergovernmental revenues.

Fund Financial Statements

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

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Major Fund Criteria

Major funds must be reported if the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures of an individual governmental fund are at least 10 percent of the corresponding element (assets, deferred outflows, liabilities, deferred inflows) for all funds of that category or type (total governmental funds).

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

Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and 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. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

- Charges to consumers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.

Certain costs, such as employee fringe benefits, property and liability insurance and depreciation expense are not allocated among the District's functions in the statements of activities and are reported as separate line items.

Other items not identifiable as program revenues are reported as general revenues.

The effect of interfund activity has been removed from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined; and available means collectible

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within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Investment income is susceptible to accrual. Other receipts and revenues become measurable and available when the cash is received and are recognized as revenue at that time.

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

The following major governmental funds are reported:

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

The *school choice fund* is used to account for proceeds from students attending the school that live outside of the district.

The *circuit breaker fund* is used to account for and report the proceeds from the state funded initiative to reimburse school districts for a portion of the high-cost special education services they provide.

The nonmajor governmental funds consist special revenue funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of this fund type:

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

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

The following fiduciary fund types are reported:

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

The *private-purpose trust fund* is used to account for trust agreements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be

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spent. The donor restrictions and trustee policies only allow the trustees to authorize spending of the realized investment earnings. The District's educational scholarship trusts are accounted for in this fund.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

E. Fair Value Measurements

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

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

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

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

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

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

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and

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that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the District's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Intergovernmental

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

Departmental and other

Departmental and other receivables typically consist of insurance proceeds, facilities rentals, childcare, and school lunch local receipts, among others.

G. Inventories

Government-Wide and Fund Financial Statements

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

H. Capital Assets

Government-Wide Financial Statements

Capital assets, which include land, buildings and improvements, and equipment, are reported in 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 at the date of donation.

All purchases and construction costs costing greater than $15,000 with expected useful lives of greater than one year are capitalized at the date of acquisition or construction.

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

Capital Asset Type	Estimated Useful Life (in years)
Buildings and improvements…….	10 - 40
Machinery and equipment……	3 - 15

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Governmental 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 that have been recorded in the governmental fund financial statements, but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The District currently has no items that qualify for reporting in this category.

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J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Interfund Transfers

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

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position.

Fund Financial Statements

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

L. Net Position and Fund Equity

Government-Wide Financial Statements (Net position)

Net position reported as "net investment in capital assets" includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt is not considered to be capital assets.

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

Net position has been restricted for "gifts, grants and other purposes" which represents assets that have restrictions placed on them from outside parties.

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Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

"Committed" fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The School Committee is the highest level of decision-making authority that can commit funds for a specific purpose. Only voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

"Assigned" fund balance includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The Director of Administrative Services is authorized to assign fund balance. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

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

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

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M. Long-term debt

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

N. Pensions

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

O. Investment Income

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

P. Compensated Absences

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

Government-Wide Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred. Such compensated absences are not material in total to the government-wide financial statements and therefore are not reported.

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Governmental Fund Financial Statements

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

Q. Use of Estimates

Government-Wide and Fund Financial Statements

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

R. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

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NOTE 2 - CASH AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds, except the Trust Funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents". The deposits and investments of the Trust Funds are held separately from those of other District funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). In addition, there are various restrictions limiting the amount and length of deposits and investments.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has not formally adopted a policy for custodial credit risk of deposits. At year-end, the carrying amount of deposits totaled $1,150,171 and the bank balance totaled $1,619,889. Of the bank balance, $500,000 was covered by Federal Depository Insurance and $1,663 was covered by the Depositor's Insurance Fund and $1,118,236 was uninsured and uncollateralized.

Investments

As of June 30, 2024, the district had $4,630,193 invested in MMDT. All of the District's OPEB Trust assets are invested in Vanguard mutual funds. The assets are administered by the Public Agency Retirement Services (PARS). As of June 30, 2024, the value of these investments totaled $276,473.

Fair Value of Investments

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

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

The District's $276,473 of mutual funds are valued using quoted market prices (Level 1).

The District has $4,630,193 invested in the MMDT Cash portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. This cash portfolio meets the requirements of GASB Statement No. 79, *Certain External Investment Pool Participants*, where investments are valued at amortized cost, which approximates the net asset value (NAV) of $1 per share.

NOTE 3 – RECEIVABLES

Outstanding receivables for the year ended June 30, 2024, relate to departmental and other receivables and intergovernmental and receivables totaling $240,356 and $757,250, respectively.

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NOTE 4 – CAPITAL ASSETS

Governmental activities capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 19,801	$ -	$ -	$ 19,801
Capital assets being depreciated:				
Buildings and improvements	45,559,240	580,158	-	46,139,398
Machinery and equipment	132,084	111,836	-	243,920
Total capital assets being depreciated	45,691,324	691,994	-	46,383,318
Less accumulated depreciation for:				
Buildings and improvements	(11,530,315)	(1,189,995)	-	(12,720,310)
Machinery and equipment	(113,686)	(17,134)	-	(130,820)
Total accumulated depreciation	(11,644,001)	(1,207,129)	-	(12,851,130)
Total capital assets being depreciated, net	34,047,323	(515,135)	-	33,532,188
Total governmental activities capital assets, net	$ 34,067,124	$ (515,135)	$ -	$ 33,551,989

Depreciation expense is unallocated and presented as a separate line on the statement of activities.

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NOTE 5 – INTERFUND TRANSFERS

There were no transfers between funds for the year ended June 30, 2024.

NOTE 6 – SHORT-TERM FINANCING

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

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

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund.

There was no short-term debt activity in 2024.

NOTE 7 - LONG-TERM DEBT

State law permits the District, under the provisions of Chapter 71, Section 16, to authorize indebtedness for capital acquisition and construction. Furthermore, written notice of the amount of debt authorized and general purpose of the debt must be given to the Board of Selectmen in each of the member town's comprising the District.

Details related to the outstanding indebtedness at June 30, 2024, and the debt service requirements are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2024
Tahanto School Construction Bonds…….	2033	$ 3,015,000	3.00 - 5.00	$ 2,060,000
Tahanto School Construction Bonds…….	2031	9,760,000	5.00	7,350,000
Total Bonds Payable……				9,410,000
Add: Unamortized premium on bonds……				1,276,531
Total Bonds Payable, net……				$ 10,686,531

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

Year	Principal	Interest	Total
2025	$ 1,095,000	$ 450,400	$ 1,545,400
2026	1,150,000	395,650	1,545,650
2027	1,205,000	338,150	1,543,150
2028	1,265,000	277,900	1,542,900
2029	1,325,000	214,650	1,539,650
2030	1,390,000	150,700	1,540,700
2031	1,460,000	83,600	1,543,600
2032	255,000	15,600	270,600
2033	265,000	7,950	272,950
Total	$ 9,410,000	$ 1,934,600	$ 11,344,600

The District is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2024, the District had no authorized and unissued debt.

Changes in Long-term Liabilities

During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Long-term bonds payable	$ 10,450,000	$ (1,040,000)	$ -	$ -	$ 9,410,000	$ 1,095,000
Add: Unamortized premium on bonds	1,612,766	(336,235)	-	-	1,276,531	301,200
Total bonds payable	12,062,766	(1,376,235)	-	-	10,686,531	1,396,200
Net pension liability	4,381,932	-	742,604	(403,330)	4,721,206	-
Other postemployment benefits	16,146,253	-	2,811,511	(348,179)	18,609,585	-
Total governmental activity long-term liabilities	$ 32,590,951	$ (1,376,235)	$ 3,554,115	$ (751,509)	$ 34,017,322	$ 1,396,200

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NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

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

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

	General	School Choice	Circuit Breaker	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Restricted for:					
School choice	$ -	$ 2,854,896	736,921	$ -	$ 3,591,817
Federal grants	-	-	-	19,026	19,026
School revolving	-	-	-	587,775	587,775
Other special revenue	-	-	-	66,979	66,979
Excess and deficiency used for subsequent year budget	150,000	-	-	-	150,000
Unassigned	669,248	-	-	-	669,248
Total Fund Balances	$ 819,248	$ 2,854,896	$ 736,921	$ 673,780	$ 5,084,845

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NOTE 9 – RISK FINANCING

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District participates in premium-based plans for the health care of its active employees and a portion of its retirees and for its workers' compensation activities.

NOTE 10 - PENSION PLAN

Plan Descriptions

The District is a member of the Worcester Regional Retirement System (WRRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission. That report may be obtained by contacting the System located at 23 Midstate Drive, Suite 106, Auburn, Massachusetts 01501 or its website http://wrrboard.org.

The District is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting https://www.macomptroller.org/gasb-68-reports/.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the District to the MTRS. Therefore, the District is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* and the Commonwealth is a nonemployer contributor in MTRS. Since the District does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2023. The District's portion of the collective pension expense, contributed by the Commonwealth, of $2,916,197 is reported in the general fund as intergovernmental revenue and employee benefits and other fixed charges in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the District is $31,232,653 as of the measurement date.

Benefits Provided

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

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are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

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

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

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding $30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the WRRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The District's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2023, was $403,330, 16.15% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liability

At June 30, 2024, the District reported a liability of $4,721,206 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The District's proportion was 0.45%, as of December 31, 2023, which increased from its proportion of 0.43% at December 31, 2022.

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Pension Expense

For the year ended June 30, 2024, the District recognized pension expense of $851,006. At June 30, 2024, the District reported deferred outflows and inflows of resources related to pensions of $1,468,294 and $135,536, respectively. The balance of deferred outflows and inflows at June 30, 2024 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience	$ 37,761	$ (99,120)	$ (61,359)
Difference between projected and actual earnings, net	188,284	-	188,284
Changes in assumptions	284,554	-	284,554
Changes in proportion and proportionate share of contributions	957,695	(36,416)	921,279
Total deferred outflows/(inflows) of resources	$ 1,468,294	$ (135,536)	$ 1,332,758

The District's deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	$ 441,975
2026	407,185
2027	413,224
2028	29,744
2029	40,630
	$ 1,332,758

Actuarial Assumptions

The total pension liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was rolled forward to December 31, 2023:

Valuation date	January 1, 2022
Actuarial cost method	Entry Age Normal.
Amortization method	Payments increase 4.00% per year.
Asset valuation method	Fair Value.
Inflation rate	2.40% per year.
Salary increases	Group 1: 4.25 - 6.00%, based on service. Group 4: 4.75 - 7.00%, based on service.

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Payroll growth……	3.5% per year.
Investment rate of return/discount rate..	7.125%, net of pension plan investment expense, including inflation.
Mortality rates……	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2021. For disabled members, RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2021.

Investment Policy

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Global equity……	36.00%	4.58%
Core fixed income……	15.00%	2.40%
Value-added fixed income……	9.00%	5.30%
Private equity……	16.00%	7.70%
Real estate……	10.00%	4.10%
Timberland……	4.00%	4.60%
Portfolio completion (PCS)……	10.00%	3.90%
Total……	100.00%	

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Discount Rate

The discount rate used to measure the total pension liability was 7.125% as of December 31, 2023 and 7.25% as of December 31, 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.125%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.125%)	Current Discount (7.125%)	1% Increase (8.125%)
The District's proportionate share of the net pension liability……	$ 5,807,879	$ 4,721,206	$ 3,803,546

Changes of Assumptions

The investment return rate assumption decreased from 7.25% to 7.125% and the mortality improvement scale was updated.

Changes in Plan Provisions

None.

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NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Berlin-Boylston Regional School District administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare insurance for eligible retirees and their spouses through two separate plans. The District's group health insurance plan covers its active members and the Group Insurance Commission covers its retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the

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

Summary of Significant Accounting Policies

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

Funding Policy

Contribution requirements are also negotiated between the District and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The District contributes 50 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50 percent of their premium costs. For 2024, the contributions to the plan totaled $348,179.

The Commonwealth of Massachusetts passed special legislation that has allowed the District to establish the Other Postemployment Benefit Trust Fund, which enables the District to accumulate funds to pay for its OPEB liabilities. The OPEB trust fund is reported within the Fiduciary Funds financial statements. As of June 30, 2024, the balance of this fund totaled $276,473.

Investment Policy

The District's policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the School Committee. The OPEB plan's assts 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 by the District's investment advisor.

Plan Membership

The following table represents the Plan's membership at June 30, 2024:

Active members……	190
Inactive members currently receiving benefits……	56
Total……	246

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Components of the Net OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2024:

Total OPEB liability	$	18,886,058
Less: OPEB plan's fiduciary net position		(276,473)
Net OPEB liability	$	18,609,585
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.		1.46%

Significant Actuarial Assumptions

The Plan's total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement date that was updated to June 30, 2024:

Valuation date	July 1, 2023
Actuarial cost method	Entry Age Normal.
Amortization method	Level dollar amount over 30 years on an open amortization period for partial pre-funding.
Amortization period	30 years.
Asset valuation method	Fair value.
Inflation	2.50%
Discount rate	3.93%, net of investment expenses, including inflation.
Long-term rate of return	6.00%, compounded annually, net of fees.
Healthcare cost trend rate	8.0% for 2023, decreasing 0.5% per year to 6%, then grading down to an ultimate trend rate of 4.0%, utlilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
Pre-Retirement Mortality - General employees	RP-2014 Blue Collar, projected with generational mortality improvement using scale MP-2021.

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Healthy Retiree Mortality - General employees…..	RP-2014 Blue Collar Healthy Annuitant Mortality Table, projected with generational mortality improvement using scale MP-2021.
Disabled Retiree Mortality - General employees….	RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using scale MP-2021.
Pre-Retirement Mortality - Teachers…….....	PUB-2010 Teachers Headcount-Weighted Employee Mortality Table, base year 2010, projected with generational morality using scale MP-2021.
Healthy Retiree Mortality - Teachers…….....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generational morality using scale MP-2021.
Disabled Retiree Mortality - Teachers…….....	PUB-2010 Teachers Headcount-Weighted Disabled Mortality Table, base year 2010, projected with generational morality using scale MP-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93% as of June 30, 2024 and 3.65% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods to determine the total OPEB liability. The municipal bond rate is based on the Bond Buyer 20-Bond GO Index as of June 30, 2024.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan's expected future real rate of return of 3.50% is added to the expected inflation of 2.50% to produce the long-term expected nominal rate of return of 6.00%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, are summarized in the table below.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36.00%	5.00%
International Equity	18.00%	4.60%
Other Growth	6.00%	4.50%
Fixed Income	40.00%	2.90%
Total	100.00%	

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	$ 16,393,649	$ 247,396	$ 16,146,253
Changes for the year:			
Service cost	842,559	-	842,559
Interest	622,767	-	622,767
Differences between expected and actual experience	680,210	-	680,210
Changes in assumptions and other inputs	695,052	-	695,052
Benefit payments	(348,179)	(348,179)	-
Contributions	-	348,179	(348,179)
Net investment income	-	29,077	(29,077)
Net change	2,492,409	29,077	2,463,332
Balances at June 30, 2024	$ 18,886,058	$ 276,473	$ 18,609,585

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Sensitivity of the Net Other Postemployment Benefit Liability to Changes in the Discount Rate

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

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB liability.....	$ 22,421,718	$ 18,609,585	$ 15,638,542

Sensitivity of the Net Other Postemployment Benefit Liability to Changes in the Healthcare Trend

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

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	$ 15,231,739	$ 18,609,585	$ 23,075,581

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

For the year ended June 30, 2024, the GASB Statement #75 measurement date, the District recognized OPEB expense of $1,151,980, deferred outflows of resources of $4,014,452 and deferred inflows of resources of $9,005,272. The components of deferred inflows/outflows of resources are as follows:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	$ 817,830	$ (3,667,631)	$ (2,849,801)
Difference between projected and actual earnings, net.....	-	(4,029)	(4,029)
Changes in assumptions.....	3,196,622	(5,333,612)	(2,136,990)
Total deferred outflows/(inflows) of resources.....	$ 4,014,452	$ (9,005,272)	$ (4,990,820)

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

Measurement date year ended June 30:	
2025	$ (248,505)
2026	(760,920)
2027	(814,223)
2028	(1,371,207)
2029	(1,470,775)
Thereafter	(325,190)
	$ (4,990,820)

Changes of Assumptions

The discount rate increased from 3.65% to 3.93%. In addition, healthcare trend rates and mortality tables and mortality improvement rates were updated in this valuation.

Changes in Plan Provisions

None.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Various legal actions and claims are pending. 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, 2024, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2024.

The District participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2024, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through _____ , 2026, which is the date the financial statements were available to be issued.

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NOTE 14 – CHANGE WITHIN REPORTING ENTITY

The District reviewed its fund classifications and determined that the circuit breaker fund, previously reported as a nonmajor governmental fund, meets the criteria for major fund reporting according to Governmental Accounting Standards Board (GASB) Statement #34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.*

The circuit breaker fund has been reclassified as a major governmental fund for the fiscal year ended June 30, 2024. This reclassification is based on the fund's financial activity, which did not previously meet the quantitative thresholds established for major fund reporting. The effects of this reclassification are reflected in the accompanying financial statements for the fiscal year ended June 30, 2024, in accordance with GASB Statement #100, *Accounting Changes and Error Corrections*. The reclassification did not impact the total net position or change in net position of the District.

	Circuit Breaker	Nonmajor Governmental Funds
June 30, 2023, as previously reported……	$ -	$ 945,209
Adjustment - change from nonmajor to major fund……	266,999	(266,999)
June 30, 2023, as adjusted……	$ 266,999	$ 678,210

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NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2024, the following GASB pronouncements were implemented:

- The GASB issued Statement #100, *Accounting Changes and Error Corrections.* The financial statements and note disclosures have been updated to comply with this standard.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.
- The GASB issued Statement #102, *Certain Risk Disclosures*, which is required to be implemented in 2025.
- The GASB issued Statement #104, *Disclosures of Certain Capital Assets*, which is required to be implemented in 2026.

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

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Required Supplementary Information

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General Fund Budgetary Comparison Schedule

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

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Berlin-Boylston Regional School District

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Year Ended June 30, 2024

	Budgeted Amounts					
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget	Actual Budgetary Amounts	Variance to Final Budget
REVENUES:						
Member town assessments	$ -	$ 22,052,136	$ 22,052,136	$ 21,550,920	$ 21,550,920	$ -
Intergovernmental	-	3,328,332	3,328,332	3,328,332	3,333,094	4,762
Investment income	-	9,000	9,000	9,000	295,104	286,104
Miscellaneous revenue	-	1,000	1,000	1,000	35,087	34,087
TOTAL REVENUES	-	25,390,468	25,390,468	24,889,252	25,214,205	324,953
EXPENDITURES:						
Current:						
District administration	2,275	967,615	969,890	1,004,384	1,031,140	(26,756)
Instructional support	24,797	12,346,487	12,371,284	12,576,140	13,032,619	(456,479)
Transportation services	-	1,136,839	1,136,839	1,084,521	972,542	111,979
Athletics and student activities	185	165,891	166,076	186,640	137,973	48,667
Other school services	-	453,107	453,107	464,737	453,041	11,696
Facilities	8,552	1,512,959	1,521,511	1,543,407	1,425,228	118,179
Employee benefits	5,331	3,627,162	3,632,493	3,663,506	3,384,913	278,593
Insurance	-	123,464	123,464	118,333	106,948	11,385
Programs with other school districts (tuitions)	-	2,227,074	2,227,074	1,960,070	2,003,477	(43,407)
Capital outlay	55,913	1,745,636	1,801,549	1,801,549	1,280,633	520,916
Debt service:						
Debt service principal	-	1,040,000	1,040,000	1,040,000	1,040,000	-
Interest	-	251,200	251,200	251,200	502,400	(251,200)
TOTAL EXPENDITURES	97,053	25,597,434	25,694,487	25,694,487	25,370,914	323,573
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(97,053)	(206,966)	(304,019)	(805,235)	(156,709)	648,526
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	521,215	-	(521,215)
NET CHANGE IN FUND BALANCE	(97,053)	(206,966)	(304,019)	(284,020)	(156,709)	127,311
FUND BALANCES AT BEGINNING OF YEAR	-	975,957	975,957	975,957	975,957	-
FUND BALANCES AT END OF YEAR	$ (97,053)	$ 768,991	$ 671,938	$ 691,937	$ 819,248	$ 127,311

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See notes to required supplementary information.

Pension Plan Schedules

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

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

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

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Berlin-Boylston Regional School District

Schedule of District's Proportionate Share of Net Pension Liability

Worcester Reginal Retirement System

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2023…….	0.45%	$ 4,721,206	$ 2,448,287	192.84%	50.40%
December 31, 2022…….	0.43%	4,381,932	2,326,343	188.36%	48.20%
December 31, 2021…….	0.43%	3,637,573	1,923,333	189.13%	56.20%
December 31, 2020…….	0.46%	4,084,695	1,889,207	216.21%	50.30%
December 31, 2019**….	0.46%	4,101,177	1,264,674	324.29%	47.36%
December 31, 2018…….	0.22%	1,999,634	743,249	269.04%	43.05%
December 31, 2017…….	0.22%	1,800,073	541,031	332.71%	46.40%
December 31, 2016…….	0.29%	1,754,720	799,722	219.42%	42.00%
December 31, 2015…….	0.21%	1,487,128	641,840	231.70%	44.52%
December 31, 2014…….	0.24%	1,435,275	617,154	232.56%	47.94%

** Effective July 1, 2019, the elementary schools from the Towns of Berlin and Boylston were regionalized and the eligible active employees became participants in the District's pension plan.

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See notes to required supplementary information.

Berlin-Boylston Regional School District

Schedule of the District's Contributions

Worcester Reginal Retirement System

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2024	$ 403,330	$ (403,330)	$ -	$ 2,497,253	16.15%
June 30, 2023	346,494	(346,494)	-	2,372,870	14.60%
June 30, 2022	319,456	(319,456)	-	1,961,800	16.28%
June 30, 2021	178,269	(178,269)	-	1,926,991	9.25%
June 30, 2020**	161,942	(161,942)	-	1,277,321	12.68%
June 30, 2019	122,776	(122,776)	-	750,681	16.36%
June 30, 2018	111,699	(111,699)	-	546,441	20.44%
June 30, 2017	101,762	(101,762)	-	807,719	12.60%
June 30, 2016	94,251	(94,251)	-	648,258	14.54%
June 30, 2015	95,318	(95,318)	-	623,326	15.29%

** Effective July 1, 2019, the elementary schools from the Towns of Berlin and Boylston were regionalized and the eligible active employees became participants in the District's pension plan.

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See notes to required supplementary information.

Berlin-Boylston Regional School District

Schedule of Special Funding Amounts of the Net Pension Liability

Massachusetts Teachers' Retirement System

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

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2024.....	$ 31,232,653	$ 2,916,197	58.48%
2023.....	30,506,919	2,509,492	57.75%
2022.....	28,085,239	2,253,723	62.03%
2021.....	32,859,996	4,058,680	50.67%
2020.....	15,744,547	1,909,300	53.95%
2019.....	15,130,205	1,533,227	54.84%
2018.....	14,239,197	1,486,186	54.25%
2017.....	13,909,246	1,418,834	52.73%
2016.....	12,556,882	1,018,472	55.38%
2015.....	9,553,267	663,711	61.64%

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See notes to required supplementary information.

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Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the District's Net Other Postemployment Benefit Liability presents multi-year trend information on the District's net other postemployment benefit liability and related ratios.

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

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

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

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Berlin-Boylston Regional School District

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Other Postemployment Benefit Liability

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Total OPEB Liability								
Service cost	$ 625,317	$ 518,787	$ 489,057	$ 636,284	$ 1,597,054	$ 1,686,449	$ 841,752	$ 842,559
Interest	265,838	311,672	340,231	475,843	576,571	616,760	577,737	622,767
Changes of benefit terms**	-	(52,465)	-	5,774,628	-	-	-	-
Differences between expected and actual experience	-	-	1,434,307	(192,845)	-	(5,587,162)	-	680,210
Changes of assumptions	(1,249,132)	(463,087)	2,632,461	5,100,534	472,697	(7,835,423)	(366,198)	695,052
Benefit payments	(155,544)	(163,940)	(235,230)	(243,327)	(279,791)	(262,585)	(276,223)	(348,179)
Net change in total OPEB liability	(513,521)	150,967	4,660,826	11,551,117	2,366,531	(11,381,961)	777,068	2,492,409
Total OPEB liability - beginning	8,782,622	8,269,101	8,420,068	13,080,894	24,632,011	26,998,542	15,616,581	16,393,649
Total OPEB liability - ending (a)	$ 8,269,101	$ 8,420,068	$ 13,080,894	$ 24,632,011	$ 26,998,542	$ 15,616,581	$ 16,393,649	$ 18,886,058
Plan fiduciary net position								
Employer contributions	$ 25,000	$ 10,000	$ 5,000	$ -	$ 18,070	$ 123,070	$ 51,737	$ -
Employer contributions for OPEB payments	155,544	163,940	235,230	243,327	279,791	262,585	276,223	348,179
Net investment income (loss)	1,615	1,783	2,643	2,592	13,361	(28,230)	20,755	29,077
Benefit payments	(155,544)	(163,940)	(235,230)	(243,327)	(279,791)	(262,585)	(276,223)	(348,179)
Net change in plan fiduciary net position	26,615	11,783	7,643	2,592	31,431	94,840	72,492	29,077
Plan fiduciary net position - beginning of year	-	26,615	38,398	46,041	48,633	80,064	174,904	247,396
Plan fiduciary net position - end of year (b)	$ 26,615	$ 38,398	$ 46,041	$ 48,633	$ 80,064	$ 174,904	$ 247,396	$ 276,473
Net OPEB liability - ending (a)-(b)	$ 8,242,486	$ 8,381,670	$ 13,034,853	$ 24,583,378	$ 26,918,478	$ 15,441,677	$ 16,146,253	$ 18,609,585
Plan fiduciary net position as a percentage of the total OPEB liability	0.32%	0.46%	0.35%	0.20%	0.30%	1.12%	1.51%	1.46%
Covered-employee payroll	$ 5,057,150	$ 5,520,478	$ 5,544,538	$ 10,946,919	$ 11,359,707	$ 11,708,594	$ 12,341,506	$ 12,261,021
Net OPEB liability as a percentage of covered-employee payroll	162.99%	151.83%	235.09%	224.57%	236.96%	131.88%	130.83%	151.78%

** Effective July 1, 2019, the elementary schools from the Towns of Berlin and Boylston were regionalized and the eligible active employees became participants in the District's OPEB plan. The impact of these new participants has been reflected as changes of benefit terms.

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

See notes to required supplementary information.

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Berlin-Boylston Regional School District

Schedule of the District's Contributions

Other Postemployment Benefit Liability

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
June 30, 2024.....	$ 1,767,786	$ (348,179)	$ 1,419,607	$ 12,261,021	2.84%
June 30, 2023.....	1,715,260	(327,960)	1,387,300	12,341,506	2.66%
June 30, 2022.....	2,951,649	(385,655)	2,565,994	11,708,594	3.29%
June 30, 2021.....	2,762,143	(297,861)	2,464,282	11,359,707	2.62%
June 30, 2020**.....	1,367,119	(243,327)	1,123,792	10,946,919	2.22%
June 30, 2019.....	985,027	(240,230)	744,797	5,544,538	4.33%
June 30, 2018.....	990,040	(173,940)	816,100	5,520,478	3.15%
June 30, 2017.....	740,479	(175,544)	564,935	5,057,150	3.47%

** Effective July 1, 2019, the elementary schools from the Towns of Berlin and Boylston were regionalized and the eligible active employees became participants in the District's OPEB plan.

Note: this schedule is intended to present information for 10 years.
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See notes to required supplementary information.

Berlin-Boylston Regional School District

Schedule of Investment Returns

Other Postemployment Benefit Liability

Year	Annual money-weighted rate of return, net of investment expense
June 30, 2024	11.75%
June 30, 2023	9.94%
June 30, 2022	-17.14%
June 30, 2021	22.69%
June 30, 2020	5.69%
June 30, 2019	6.88%
June 30, 2018	17.83%
June 30, 2017	7.91%

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

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See notes to required supplementary information.

Berlin-Boylston Regional School District

Notes to Required Supplementary Information

Year Ended June 30, 2024

NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District adopts a balanced budget that is approved by the School Committee. The Superintendent of Schools presents an annual budget to the School Committee, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The School Committee, which has full authority to amend and/or reject the budget or any appropriation category, adopts the expenditure budget by 2/3 vote. Increases in the budget subsequent to the approval of the annual budget require 2/3 Committee and member town approval.

The majority of the District's appropriations are non-continuing which lapse at the end of the year.

The original 2024 approved budget for the General Fund authorized approximately $25.7 million in appropriations. There was no change between the original budget and the final budget.

The District's accounting office has the responsibility to ensure that budgetary control is maintained in accordance with the Appropriation Control Report and parameters for transfers as set by the School Committee.

Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2024, is presented below:

Net change in fund balance - budgetary basis	$	(156,709)
Basis of accounting differences:		
Recognition of revenue for on-behalf payments		2,916,197
Recognition of expenditures for on-behalf payments		(2,916,197)
Net change in fund balance - GAAP basis	$	(156,709)

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Berlin-Boylston Regional School District

Notes to Required Supplementary Information

Year Ended June 30, 2024

NOTE B – PENSION PLAN

Schedule of the District's Proportionate Share of the Net Pension Liability

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

Schedule of District's Contributions

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

Schedule of the Special Funding Amounts of the Net Pension Liabilities

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

Changes in Assumptions

The investment return rate assumption decreased from 7.25% to 7.125% and the mortality improvement scale was updated.

Changes in Plan Provisions

None.

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NOTE C – OTHER POST-RETIREMENT BENEFITS

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

The Schedule of Changes in the District's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the District's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's net OPEB liability.

Schedule of the District's Contributions

The Schedule of the District's Contributions includes the District's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The District is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarial contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

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Berlin-Boylston Regional School District

Notes to Required Supplementary Information

Year Ended June 30, 2024

The methods and assumptions used to determine contributions are as follows:

Valuation date……	July 1, 2023
Actuarial cost method……	Entry Age Normal.
Amortization method….....	Level dollar amount over 30 years on an open amortization period for partial pre-funding.
Amortization period….....	30 years.
Asset valuation method….....	Fair value.
Inflation……	2.50%
Discount rate….....	3.93%, net of investment expenses, including inflation.
Long-term rate of return….....	6.00%, compounded annually, net of fees.
Healthcare cost trend rate……	8.0% for 2023, decreasing 0.5% per year to 6%, then grading down to an ultimate trend rate of 4.0%, utlilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
Pre-Retirement Mortality - General employees……	RP-2014 Blue Collar, projected with generational mortality improvement using scale MP-2021.
Healthy Retiree Mortality - General employees……	RP-2014 Blue Collar Healthy Annuitant Mortality Table, projected with generational mortality improvement using scale MP-2021.
Disabled Retiree Mortality - General employees….	RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using scale MP-2021.
Pre-Retirement Mortality - Teachers…….....	PUB-2010 Teachers Headcount-Weighted Employee Mortality Table, base year 2010, projected with generational morality using scale MP-2021.
Healthy Retiree Mortality - Teachers…….....	PUB-2010 Teachers Headcount-Weighted Retiree Mortality Table, base year 2010, projected with generational morality using scale MP-2021.
Disabled Retiree Mortality - Teachers…….....	PUB-2010 Teachers Headcount-Weighted Disabled Mortality Table, base year 2010, projected with generational morality using scale MP-2021.

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Berlin-Boylston Regional School District

Notes to Required Supplementary Information

Year Ended June 30, 2024

Schedule of Investment Returns

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

Changes in Assumptions

The discount rate increased from 3.65% to 3.93%. In addition, healthcare trend rates and mortality tables and mortality improvement rates were updated in this valuation.

Changes in Plan Provisions

None.

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