



TOWN OF PLAINVILLE, MASSACHUSETTS

Financial Statements
For the Year Ended June 30, 2022

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

To the Select Board
Town of Plainville, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Plainville, Massachusetts (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Plainville, Massachusetts as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison for the General Fund, and certain pension and OPEB schedules 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 August 29, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Marcum LLP

Andover, MA
August 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Plainville, Massachusetts (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows and inflows of resources with the difference 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 Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, education, public works, health and human services, culture and recreation, and interest on long-term debt. The business-type activities water, sewer, and sanitation 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. The Town's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for water and sewer activities, which are considered to be major funds, and sanitation, which is considered to be a nonmajor fund.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Town programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$5,133,294, a change of \$5,162,221, and net position in business-type activities was \$16,045,096, a change of \$1,135,675.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$18,065,656, a change of \$4,340,368 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,813,096, a change of \$925,501 in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior fiscal year:

	NET POSITION (in thousands)					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current and other assets	\$ 22,134	\$ 17,054	\$ 9,060	\$ 6,717	\$ 31,194	\$ 23,771
Capital assets	<u>60,614</u>	<u>62,590</u>	<u>22,361</u>	<u>21,170</u>	<u>82,975</u>	<u>83,760</u>
Total Assets	82,748	79,644	31,421	27,887	114,169	107,531
Deferred Outflow of Resources	6,379	8,150	163	260	6,542	8,410
Liabilities						
Other liabilities	2,320	1,344	4,426	723	6,746	2,067
Long-term liabilities	<u>68,120</u>	<u>77,176</u>	<u>10,767</u>	<u>12,213</u>	<u>78,887</u>	<u>89,389</u>
Total Liabilities	70,440	78,520	15,193	12,936	85,633	91,456
Deferred Inflows of Resources	<u>13,554</u>	<u>9,303</u>	<u>346</u>	<u>302</u>	<u>13,900</u>	<u>9,605</u>
Net Position						
Net investment in capital assets	28,891	29,062	13,739	13,398	42,630	42,460
Restricted	4,593	7,066	-	-	4,593	7,066
Unrestricted	<u>(28,351)</u>	<u>(36,157)</u>	<u>2,306</u>	<u>1,511</u>	<u>(26,045)</u>	<u>(34,646)</u>
Total Net Position	\$ <u>5,133</u>	\$ <u>(29)</u>	\$ <u>16,045</u>	\$ <u>14,909</u>	\$ <u>21,178</u>	\$ <u>14,880</u>

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. At the close of the most recent fiscal year, total net position was \$21,178,390, a change of \$6,297,896 in comparison to the prior year.

The largest portion of net position \$42,630,811 reflects our investment in capital assets (e.g., land, construction in progress, buildings and improvements, machinery and equipment, vehicles, software, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of 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 net position, \$4,592,679, 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 \$(26,045,100) primarily resulting from unfunded pension and OPEB liabilities.

CHANGES IN NET POSITION (in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 4,998	\$ 5,323	\$ 4,546	\$ 4,331	\$ 9,544	\$ 9,654
Operating grants and contributions	6,351	8,161	-	152	6,351	8,313
Capital grants and contributions	1,038	149	-	778	1,038	927
General revenues:						
Property taxes	25,926	24,772	-	-	25,926	24,772
Excises	2,103	1,327	-	-	2,103	1,327
Penalties, interest, and other taxes	563	419	-	-	563	419
Grants and contributions not restricted to specific programs	1,205	2,982	-	-	1,205	2,982
Investment income	9	588	-	-	9	588
Gain on sale of capital assets	702	-	-	-	702	-
Miscellaneous	3,695	865	6	-	3,701	865
Total Revenues	46,590	44,586	4,552	5,261	51,142	49,847
Expenses						
General government	3,614	3,400	-	-	3,614	3,400
Public safety	10,951	6,070	-	-	10,951	6,070
Education	21,139	18,535	-	-	21,139	18,535
Public works	2,911	1,340	-	-	2,911	1,340
Health and human services	734	558	-	-	734	558
Culture and recreation	711	430	-	-	711	430
¹ Employee benefits	-	8,719	-	-	-	8,719
Interest on long-term debt	1,201	1,038	-	-	1,201	1,038
Water services	-	-	1,826	1,978	1,826	1,978
Sewer services	-	-	1,234	1,606	1,234	1,606
Sanitation services	-	-	523	589	523	589
Total Expenses	41,261	40,090	3,583	4,173	44,844	44,263

¹ Employee benefit expenditures were allocated to the various departments in fiscal year 2022.

(continued)

(continued)

Change in Net Position Before Transfers	5,329	4,496	969	1,088	6,298	5,584
Transfers In (Out)	<u>(167)</u>	<u>(519)</u>	<u>167</u>	<u>519</u>	<u>-</u>	<u>-</u>
Change in Net Position	5,162	3,977	1,136	1,607	6,298	5,584
Net Position - Beginning of Year	<u>(29)</u>	<u>(4,006)</u>	<u>14,909</u>	<u>13,302</u>	<u>14,880</u>	<u>9,296</u>
Net Position - End of Year	<u>\$ 5,133</u>	<u>\$ (29)</u>	<u>\$ 16,045</u>	<u>\$ 14,909</u>	<u>\$ 21,178</u>	<u>\$ 14,880</u>

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$5,162,221. Key elements of this change are as follows:

General fund operations	\$ 2,179,010
T.I.P donation	1,190,739
Sale of public safety building	850,000
Change in pension expense from GASB 68	1,099,268
Change in OPEB expense from GASB 75	(221,408)
Other	<u>64,612</u>
Total	<u>\$ 5,162,221</u>

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$1,135,675. Key elements of this change are as follows:

Water enterprise	\$ 640,304
Sewer enterprise	439,084
Nonmajor enterprise (Sanitation)	<u>56,287</u>
Total	<u>\$ 1,135,675</u>

Financial Analysis of Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$18,065,656, a change of \$4,340,368 in comparison to the prior year.

General Fund

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,813,096, while total fund balance was \$13,541,007. Unassigned fund balance increased by \$925,501 primarily from favorable budgetary results of \$3,411,313, less \$1,418,540 of free cash appropriated in the November 2021 Special Town meeting, and \$965,672 of free cash used for the fiscal year 2023 budget. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/22</u>	<u>6/30/21</u>	<u>Change</u>	<u>% of General Fund Expenditures**</u>
Unassigned fund balance*	\$ 6,813,096	\$ 5,887,595	\$ 925,501	18.7%
Total fund balance	\$ 13,541,007	\$ 11,361,997	\$ 2,179,010	37.2%

*These figures include the general stabilization fund.

**Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth of Massachusetts Teachers Retirement System of \$1,106,092.

The total fund balance of the General Fund changed by \$2,179,010 during the current fiscal year. Key factors in this change are as follows:

Revenues in excess of budget	\$ 2,804,594
Expenditures less than budget	474,591
Other financing uses greater than budget	132,128
Use of free cash	(3,258,540)
Change in stabilization funds	1,545,715
Other	480,522
Total	<u>\$ 2,179,010</u>

Included in the total fund balance of the General Fund are the Town's stabilization accounts with the following balances:

	<u>6/30/22</u>	<u>6/30/21</u>	<u>Change</u>
General stabilization	\$ 2,621,753	\$ 816,619	\$ 1,805,134
Landfill closure stabilization	2,472,753	2,541,460	(68,707)
Capital stabilization	2,220,482	2,461,194	(240,712)
Planning mitigation stabilization	75,000	25,000	50,000
Special education stabilization	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Total	<u>\$ 7,509,988</u>	<u>\$ 5,964,273</u>	<u>\$ 1,545,715</u>

Nonmajor Governmental Funds

The fund balance of nonmajor governmental funds changed by \$2,161,358, primarily from the receipt of a large T.I.P donation from “The Cubes” to revitalize the downtown area and proceeds from the sale of the old public safety building.

Proprietary Funds

Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$2,305,942, a change of \$794,684 in comparison to the prior year.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$128,008, funded by free cash primarily for the fiscal year 2022 snow and ice deficit.

Excise revenue had a favorable variance of \$790,778 and charges for services revenue had a favorable variance of \$494,265, both primarily resulting from cannabis excise and cannabis impact fee revenue that was budgeted conservatively following Department of Revenue guidelines. Licenses and permits also had a favorable variance of \$1,061,789, primarily due to large building permits for “The Cubes” and Thermo-Fisher.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$82,975,404 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, vehicles, software, and infrastructure.

Major capital asset events during the current fiscal year included the following:

- \$40,000 for machinery and equipment.
- \$360,000 for vehicles.
- \$(148,490) for disposal of the public safety building.

- \$2,027,362 for construction in progress including the Wash & Bugbee main and Pleasant & Grover main water replacement projects.
- \$(3,063,325) of depreciation.

Additional information on capital assets can be found in the Notes to Financial Statements.

Long-Term Debt

At the end of the current fiscal year, total bonds and loans payable outstanding, including unamortized premiums, were \$41,694,456, all of which was backed by the full faith and credit of the Town.

The Town maintained their Aa3 rating from Moody's for general obligation debt.

Additional information on long-term debt can be found in the Notes to Financial Statements.

Requests for Information

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

Town of Plainville, Massachusetts
190 South Street, PO Box 1717
Plainville, Massachusetts 02762

TOWN OF PLAINVILLE, MASSACHUSETTS

Statement of Net Position
June 30, 2022

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and short-term investments	\$ 17,671,982	\$ 7,971,434	\$ 25,643,416
Investments	1,758,225	-	1,758,225
Receivables, net of allowance for uncollectibles:			
Property taxes	484,868	-	484,868
Excises	167,536	-	167,536
User fees	187,359	1,088,709	1,276,068
Intergovernmental	<u>1,137,787</u>	<u>-</u>	<u>1,137,787</u>
Total Current Assets	21,407,757	9,060,143	30,467,900
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	409,706	-	409,706
Assets held for resale	316,894	-	316,894
Capital assets:			
Nondepreciable capital assets	4,666,132	6,072,683	10,738,815
Other capital assets, net of accumulated depreciation	<u>55,947,729</u>	<u>16,288,860</u>	<u>72,236,589</u>
Total Noncurrent Assets	<u>61,340,461</u>	<u>22,361,543</u>	<u>83,702,004</u>
Total Assets	82,748,218	31,421,686	114,169,904
Deferred Outflows of Resources			
Related to pension	1,625,667	41,453	1,667,120
Related to OPEB	<u>4,753,791</u>	<u>121,217</u>	<u>4,875,008</u>
Total Deferred Outflows of Resources	6,379,458	162,670	6,542,128
Liabilities			
Current:			
Accounts payable	749,098	765,516	1,514,614
Accrued liabilities	688,025	147,761	835,786
Unearned revenue	483,791	262,952	746,743
Tax refunds payable	26,963	-	26,963
Notes payable	360,000	3,250,000	3,610,000
Other current liabilities	12,743	-	12,743
Current portion of long-term liabilities:			
Bonds and loans payable	2,341,331	889,750	3,231,081
Compensated absences liability	<u>14,901</u>	<u>-</u>	<u>14,901</u>
Total Current Liabilities	4,676,852	5,315,979	9,992,831
Noncurrent:			
Bonds and loans payable, net of current portion	29,503,091	8,960,284	38,463,375
Net pension liability	10,040,698	256,028	10,296,726
Net OPEB liability	25,936,867	661,363	26,598,230
Compensated absences liability, net of current portion	<u>283,128</u>	<u>-</u>	<u>283,128</u>
Total Noncurrent Liabilities	<u>65,763,784</u>	<u>9,877,675</u>	<u>75,641,459</u>
Total Liabilities	70,440,636	15,193,654	85,634,290
Deferred Inflows of Resources			
Related to pension	3,747,296	95,552	3,842,848
Related to OPEB	<u>9,806,450</u>	<u>250,054</u>	<u>10,056,504</u>
Total Deferred Inflows of Resources	13,553,746	345,606	13,899,352
Net Position			
Net investment in capital assets	28,891,657	13,739,154	42,630,811
Restricted for:			
Grants and other statutory restrictions	4,592,679	-	4,592,679
Unrestricted	<u>(28,351,042)</u>	<u>2,305,942</u>	<u>(26,045,100)</u>
Total Net Position	\$ <u>5,133,294</u>	\$ <u>16,045,096</u>	\$ <u>21,178,390</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINVILLE, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-	Total
	<u>Expenses</u>	<u>Services</u>	<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Activities</u>	<u>Type Activities</u>	
Governmental Activities							
General government	\$ 3,613,826	\$ 643,189	\$ 258,553	\$ -	\$ (2,712,084)	\$ -	\$ (2,712,084)
Public safety	10,951,454	3,797,167	453,851	266,667	(6,433,769)	-	(6,433,769)
Education	21,138,755	305,880	5,582,878	505,392	(14,744,605)	-	(14,744,605)
Public works	2,910,568	2,700	-	265,723	(2,642,145)	-	(2,642,145)
Health and human services	734,075	58,028	29,158	-	(646,889)	-	(646,889)
Culture and recreation	711,087	190,929	26,610	-	(493,548)	-	(493,548)
Interest on long-term debt	<u>1,200,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,200,734)</u>	<u>-</u>	<u>(1,200,734)</u>
Total Governmental Activities	41,260,499	4,997,893	6,351,050	1,037,782	(28,873,774)	-	(28,873,774)
Business-Type Activities:							
Water services	1,825,694	2,460,290	-	-	-	634,596	634,596
Sewer services	1,233,853	1,506,269	-	-	-	272,416	272,416
Sanitation services	<u>523,434</u>	<u>579,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,287</u>	<u>56,287</u>
Total Business-Type Activities	<u>3,582,981</u>	<u>4,546,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>963,299</u>	<u>963,299</u>
Total	<u>\$ 44,843,480</u>	<u>\$ 9,544,173</u>	<u>\$ 6,351,050</u>	<u>\$ 1,037,782</u>	(28,873,774)	963,299	(27,910,475)
General Revenues and Transfers							
					25,926,308	-	25,926,308
Property taxes					2,102,747	-	2,102,747
Excises					563,323	-	563,323
Penalties, interest, and other taxes							
Grants and contributions not restricted to specific programs					1,204,949	-	1,204,949
Investment income					8,510	-	8,510
Gain on sale of capital assets					701,510	-	701,510
Miscellaneous					3,695,316	5,708	3,701,024
Transfers (net)					<u>(166,668)</u>	<u>166,668</u>	<u>-</u>
Total General Revenues and Transfers					<u>34,035,995</u>	<u>172,376</u>	<u>34,208,371</u>
Change in Net Position					5,162,221	1,135,675	6,297,896
Net Position							
Beginning of year					<u>(28,927)</u>	<u>14,909,421</u>	<u>14,880,494</u>
End of year					<u>\$ 5,133,294</u>	<u>\$ 16,045,096</u>	<u>\$ 21,178,390</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINVILLE, MASSACHUSETTS

Governmental Funds
Balance Sheet
June 30, 2022

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets			
Cash and short-term investments	\$ 12,769,167	\$ 4,902,815	\$ 17,671,982
Investments	1,758,225	-	1,758,225
Receivables:			
Property taxes	1,074,194	3,214	1,077,408
Excises	227,623	-	227,623
User fees	187,359	-	187,359
Intergovernmental	<u>505,392</u>	<u>632,395</u>	<u>1,137,787</u>
Total Assets	\$ <u><u>16,521,960</u></u>	\$ <u><u>5,538,424</u></u>	\$ <u><u>22,060,384</u></u>
Liabilities			
Accounts payable	\$ 647,800	\$ 101,298	\$ 749,098
Accrued liabilities	355,313	65,472	420,785
Unearned revenue	-	483,791	483,791
Tax refunds payable	26,963	-	26,963
Notes payable	-	360,000	360,000
Other liabilities	<u>12,743</u>	<u>-</u>	<u>12,743</u>
Total Liabilities	1,042,819	1,010,561	2,053,380
Deferred Inflows of Resources			
Unavailable revenues	1,938,134	3,214	1,941,348
Fund Balances			
Restricted	-	5,089,692	5,089,692
Committed	5,471,258	-	5,471,258
Assigned	1,256,653	-	1,256,653
Unassigned	<u>6,813,096</u>	<u>(565,043)</u>	<u>6,248,053</u>
Total Fund Balances	<u>13,541,007</u>	<u>4,524,649</u>	<u>18,065,656</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u><u>16,521,960</u></u>	\$ <u><u>5,538,424</u></u>	\$ <u><u>22,060,384</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINVILLE, MASSACHUSETTS

Reconciliation of Total Governmental Fund Balances to Net Position
of Governmental Activities in the Statement of Net Position
June 30, 2022

Total Governmental Fund Balances	\$ 18,065,656
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	60,613,861
Deferred outflows of resources related to pension to be recognized in pension expense in future periods	1,625,667
Deferred outflows of resources related to OPEB to be recognized in OPEB expense in future periods	4,753,791
Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,698,428
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Bonds and loans payable	(31,844,422)
Net pension liability	(10,040,698)
Net OPEB liability	(25,936,867)
Compensated absences liability	(298,029)
Deferred inflows of resources related to pension to be recognized in pension expense in future periods	(3,747,296)
Deferred inflows of resources related to OPEB to be recognized in OPEB expense in future periods	(9,806,450)
Other	<u>49,653</u>
Net Position of Governmental Activities	<u><u>\$ 5,133,294</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINVILLE, MASSACHUSETTS

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues			
Property taxes	\$ 26,096,922	\$ 199,831	\$ 26,296,753
Excises	2,034,778	-	2,034,778
Penalties, interest, and other taxes	562,144	1,179	563,323
Charges for services	1,715,665	1,818,170	3,533,835
Intergovernmental	5,927,548	2,608,172	8,535,720
Licenses and permits	1,455,039	-	1,455,039
Fines and forfeitures	16,305	-	16,305
Investment income	7,217	1,293	8,510
Miscellaneous	<u>2,030,795</u>	<u>1,446,693</u>	<u>3,477,488</u>
Total Revenues	39,846,413	6,075,338	45,921,751
Expenditures			
Current:			
General government	1,656,783	388,894	2,045,677
Public safety	5,856,694	2,377,885	8,234,579
Education	17,436,919	1,431,199	18,868,118
Public works	1,824,029	337,080	2,161,109
Health and human services	456,353	47,100	503,453
Culture and recreation	315,493	181,822	497,315
Employee benefits	5,249,360	-	5,249,360
Debt service:			
Principal	2,224,155	-	2,224,155
Interest	1,262,377	-	1,262,377
Intergovernmental	<u>1,218,572</u>	<u>-</u>	<u>1,218,572</u>
Total Expenditures	<u>37,500,735</u>	<u>4,763,980</u>	<u>42,264,715</u>
Excess of revenues over expenditures	2,345,678	1,311,358	3,657,036
Other Financing Sources (Uses)			
Proceeds from the sale of capital assets	-	850,000	850,000
Transfers out	<u>(166,668)</u>	<u>-</u>	<u>(166,668)</u>
Total Other Financing Sources (Uses)	<u>(166,668)</u>	<u>850,000</u>	<u>683,332</u>
Excess of revenues and other sources over expenditures and other uses	2,179,010	2,161,358	4,340,368
Fund Balance, at Beginning of Year	<u>11,361,997</u>	<u>2,363,291</u>	<u>13,725,288</u>
Fund Balance, at End of Year	\$ <u><u>13,541,007</u></u>	\$ <u><u>4,524,649</u></u>	\$ <u><u>18,065,656</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINVILLE, MASSACHUSETTS

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 4,340,368
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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	595,807
Net effect from disposal of assets	(148,490)
Depreciation	(2,423,011)

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, however, has any effect on net position:

Repayments of general obligation bonds and loans	2,236,898
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Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for certain types of accounts receivable (i.e., real estate, personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.

(372,625)

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

Change in pension expense from GASB 68	1,099,268
Change in OPEB expense from GASB 75	(221,408)
Change in compensated absences liability	(298,029)
Bond premium amortization	217,826
Change in accrued interest on bonds payable	61,643

Other differences	73,974
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Change in Net Position of Governmental Activities	\$ <u>5,162,221</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINVILLE, MASSACHUSETTS

Proprietary Funds
Statement of Net Position
June 30, 2022

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Total
Assets				
Current:				
Cash and short-term investments	\$ 5,807,129	\$ 1,531,381	\$ 632,924	\$ 7,971,434
Receivables, net of allowance for uncollectibles				
User fees	<u>700,542</u>	<u>388,167</u>	<u>-</u>	<u>1,088,709</u>
Total Current Assets	6,507,671	1,919,548	632,924	9,060,143
Noncurrent:				
Capital Assets:				
Nondepreciable capital assets	5,830,007	242,676	-	6,072,683
Other capital assets, net of accumulated depreciation	<u>11,031,514</u>	<u>5,257,346</u>	<u>-</u>	<u>16,288,860</u>
Total Noncurrent Assets	<u>16,861,521</u>	<u>5,500,022</u>	<u>-</u>	<u>22,361,543</u>
Total Assets	23,369,192	7,419,570	632,924	31,421,686
Deferred Outflows of Resources				
Related to pension	17,835	17,748	5,870	41,453
Related to OPEB	<u>52,155</u>	<u>51,898</u>	<u>17,164</u>	<u>121,217</u>
Total Deferred Outflows of Resources	69,990	69,646	23,034	162,670
Liabilities				
Current:				
Accounts payable	502,654	214,700	48,162	765,516
Accrued liabilities	107,905	39,432	424	147,761
Unearned revenue	-	-	262,952	262,952
Notes payable	3,250,000	-	-	3,250,000
Current portion of long-term liabilities:				
Bonds and loans payable	<u>685,340</u>	<u>204,410</u>	<u>-</u>	<u>889,750</u>
Total Current Liabilities	4,545,899	458,542	311,538	5,315,979
Noncurrent:				
Bonds and loans payable, net of current portion	6,611,189	2,349,095	-	8,960,284
Net pension liability	110,158	109,617	36,253	256,028
Net OPEB liability	<u>284,557</u>	<u>283,159</u>	<u>93,647</u>	<u>661,363</u>
Total Noncurrent Liabilities	<u>7,005,904</u>	<u>2,741,871</u>	<u>129,900</u>	<u>9,877,675</u>
Total Liabilities	11,551,803	3,200,413	441,438	15,193,654
Deferred Inflows of Resources				
Related to pension	41,112	40,910	13,530	95,552
Related to OPEB	<u>107,588</u>	<u>107,059</u>	<u>35,407</u>	<u>250,054</u>
Total Deferred Inflows of Resources	148,700	147,969	48,937	345,606
Net Position				
Net investment in capital assets	10,210,466	3,528,688	-	13,739,154
Unrestricted	<u>1,528,213</u>	<u>612,146</u>	<u>165,583</u>	<u>2,305,942</u>
Total Net Position	\$ <u>11,738,679</u>	\$ <u>4,140,834</u>	\$ <u>165,583</u>	\$ <u>16,045,096</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINVILLE, MASSACHUSETTS

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Fund			
	Water <u>Fund</u>	Sewer <u>Fund</u>	Nonmajor Enterprise <u>Funds</u>	<u>Total</u>
Operating Revenues				
Charges for services	\$ 2,460,290	\$ 1,506,269	\$ 579,721	\$ 4,546,280
Total Operating Revenues	2,460,290	1,506,269	579,721	4,546,280
Operating Expenses				
Salaries and benefits	142,706	134,574	17,800	295,080
Other operating expenses	967,715	841,386	505,634	2,314,735
Depreciation	<u>457,109</u>	<u>183,207</u>	<u>-</u>	<u>640,316</u>
Total Operating Expenses	<u>1,567,530</u>	<u>1,159,167</u>	<u>523,434</u>	<u>3,250,131</u>
Operating Income	892,760	347,102	56,287	1,296,149
Nonoperating Revenues (Expenses)				
Miscellaneous revenue	5,708	-	-	5,708
Interest expense	<u>(258,164)</u>	<u>(74,686)</u>	<u>-</u>	<u>(332,850)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(252,456)</u>	<u>(74,686)</u>	<u>-</u>	<u>(327,142)</u>
Income Before Transfers	640,304	272,416	56,287	969,007
Transfers in	<u>-</u>	<u>166,668</u>	<u>-</u>	<u>166,668</u>
Change in Net Position	640,304	439,084	56,287	1,135,675
Net Position, Beginning of Year	<u>11,098,375</u>	<u>3,701,750</u>	<u>109,296</u>	<u>14,909,421</u>
Net Position, End of Year	\$ <u><u>11,738,679</u></u>	\$ <u><u>4,140,834</u></u>	\$ <u><u>165,583</u></u>	\$ <u><u>16,045,096</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINVILLE, MASSACHUSETTS

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Nonmajor Enterprise Funds	Total
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 2,411,256	1,483,865	\$ 602,974	\$ 4,498,095
Payments to vendors and employees	<u>(1,071,004)</u>	<u>(961,803)</u>	<u>(518,059)</u>	<u>(2,550,866)</u>
Net Cash Provided By Operating Activities	1,340,252	522,062	84,915	1,947,229
Cash Flows From Capital and Related Financing Activities				
Acquisition, construction, and disposition of capital assets	(1,690,264)	(141,290)	-	(1,831,554)
Issuance of notes	3,250,000	-	-	3,250,000
Payments on bonds and loans	(673,765)	(259,255)	-	(933,020)
Interest expense	<u>(258,164)</u>	<u>(74,686)</u>	<u>-</u>	<u>(332,850)</u>
Net Cash Provided by (Used For) Capital and Related Financing Activities	627,807	(475,231)	-	152,576
Cash Flows From Noncapital Financing Activities				
Transfers in	-	166,668	-	166,668
Miscellaneous revenue	<u>5,708</u>	<u>-</u>	<u>-</u>	<u>5,708</u>
Net Cash Provided By Noncapital Financing Activities	<u>5,708</u>	<u>166,668</u>	<u>-</u>	<u>172,376</u>
Net Change in Cash and Short-Term Investments	1,973,767	213,499	84,915	2,272,181
Cash and Short-Term Investments, Beginning of Year	<u>3,833,362</u>	<u>1,317,882</u>	<u>548,009</u>	<u>5,699,253</u>
Cash and Short-Term Investments, End of Year	<u>\$ 5,807,129</u>	<u>1,531,381</u>	<u>\$ 632,924</u>	<u>\$ 7,971,434</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities				
Operating income	\$ 892,760	\$ 347,102	\$ 56,287	\$ 1,296,149
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	457,109	183,207	-	640,316
Changes in assets, liabilities, and deferred outflows/inflows:				
Receivables	(49,034)	(22,404)	-	(71,438)
Accounts payable	340,023	126,918	4,379	471,320
Accrued liabilities	(39,808)	(2,171)	424	(41,555)
Unearned revenue	-	-	23,252	23,252
Net pension liability and related deferrals	(273,007)	(111,141)	(3,366)	(387,514)
Net OPEB liability and related deferrals	<u>12,209</u>	<u>551</u>	<u>3,939</u>	<u>16,699</u>
Net Cash Provided By Operating Activities	<u>\$ 1,340,252</u>	<u>\$ 522,062</u>	<u>\$ 84,915</u>	<u>\$ 1,947,229</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINVILLE, MASSACHUSETTS

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust Funds</u>
Assets		
Cash and short-term investments	\$ 243	\$ 7,099
Investments:		
Equity mutual funds	57,198	-
External investment pool	426,703	-
Fixed income mutual funds	<u>39,264</u>	<u>-</u>
Total Investments	<u>523,165</u>	<u>-</u>
Total Assets	523,408	7,099
Net Position		
Restricted for OPEB	523,408	-
Restricted for organizations	<u>-</u>	<u>7,099</u>
Total Net Position	<u>\$ 523,408</u>	<u>\$ 7,099</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF PLAINVILLE, MASSACHUSETTS

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	OPEB <u>Trust Fund</u>	Private Purpose <u>Trust Funds</u>
Additions		
Employer contributions	\$ 877,655	\$ -
Investment income (loss)	<u>(83,210)</u>	<u>7</u>
Total Additions	794,445	7
Deductions		
Benefit payments to plan members and beneficiaries	<u>827,655</u>	<u>-</u>
Total Deductions	<u>827,655</u>	<u>-</u>
Change in Net Position	(33,210)	7
Restricted Net Position		
Beginning of year	<u>556,618</u>	<u>7,092</u>
End of year	<u><u>\$ 523,408</u></u>	<u><u>\$ 7,099</u></u>

The accompanying notes are an integral part of these financial statements.

PLAINVILLE, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Plainville, Massachusetts (the Town) conform accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles. The following is a summary of the significant policies of the Town:

Reporting Entity

The Town is a municipal corporation governed by an elected Select Board. As required by GAAP, these financial statements present the Town and applicable component units for which the Town is considered to be financially accountable. In fiscal year 2022, it was determined that no entities met the component unit requirements of GASB 14 (as amended).

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements

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

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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of an enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services,

administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

- *Water Fund*: To account for water activities.
- *Sewer Fund*: To account for sewer activities.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The Town reports the following fiduciary funds:

- The *Other Post-Employment Benefit Trust Fund* is used to accumulate resources for health and life insurance benefits for retired employees.
- The *Private Purpose Trust Funds* are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals or private organizations.

Cash and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, savings accounts, and money market accounts. Generally, a cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the financial statements under the caption "cash and short-term investments".

For purpose of the Statement of Cash Flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using net asset value (NAV). The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification.

The Town invests in the Massachusetts Municipal Depository Trust (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 Pools and Pool Participants, where investments are valued at amortized cost, which approximates the net asset value of \$1 per share.

Investments are carried at fair value, except certificates of deposit which are reported at cost.

Property Tax Limitations

Legislation known as "Proposition 2½" has limited the amount of revenue that can be derived from property taxes. The prior fiscal year's tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth), unless an override is voted. Certain provisions of Proposition 2 ½ can be overridden by a referendum.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 (\$25,000 for land) and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Infrastructure	30 - 75
Vehicles	5
Office equipment	5
Computer equipment	5

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance

Generally, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. The Town has implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions, as follows:

The following types of fund balances are reported at June 30, 2022:

- *Restricted* represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes various special revenue funds, various capital project funds, and expendable trust funds.
- *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority. This fund balance classification includes General Fund non-lapsing appropriations approved at Town Meeting and special purpose stabilization funds.
- *Assigned* represents amounts that are constrained by the Town’s intent to use these resources for a specific purpose. This fund balance classification includes General Fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period, petty cash reserves, and General Fund surplus that has been appropriated as a funding source for the subsequent fiscal year.
- *Unassigned* represents amounts that are available to be spent in future periods, general stabilization, and deficit funds.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

Use of Estimates

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

2. Stewardship, Compliance, and Accountability

Budgetary Information

At the annual town meeting, the Finance Committee presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by Town Meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at special town meetings as required by changing conditions. In cases of extraordinary or unforeseen expenses, the Finance Committee is empowered to transfer funds from the Reserve Fund (a contingency appropriation) to a departmental appropriation. "Extraordinary" includes expenses which are not in the usual line, or are great or exceptional. "Unforeseen" includes expenses which are not foreseen as of the time of the annual meeting when appropriations are voted.

Departments are limited to the line items as voted. Certain items may exceed the line-item budget as approved if it is for an emergency and for the safety of the general public. These items are limited by Massachusetts General Laws and must be raised in the next year's tax rate.

Formal budgetary integration is employed as a management control device during the year for the General Fund and proprietary funds. Effective budgetary control is achieved for all other funds through provisions of Massachusetts General Laws.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2022. It is anticipated that the deficits in these funds will be eliminated through future departmental revenues, bond proceeds, and transfers from other funds.

3. Deposits and Investments

Massachusetts General Laws (MGL) Chapter 44, Section 55 place certain limitation on the nature of deposits and investments available to the Town. Deposits, including demand deposits, money markets, and certificates of deposits in any one financial institution, may not exceed 60% of the capital and surplus of such institution unless collateralized by the institution involved. Investments may be made in unconditionally guaranteed U.S. government obligations having maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, national banks, and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants*. MMDT has an average maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44, Section 54 provides additional investment options for certain special revenue, trust, and OPEB funds.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The Town does not have a deposit policy for custodial credit risk.

As of June 30, 2022, \$6,241,587 of the Town's bank balances of \$26,139,546 was exposed to custodial credit risk as uninsured and/or uncollateralized.

Investments

The following is a summary of the Town's investments (in thousands) as of June 30, 2022:

<u>Investment Type</u>	<u>Amount</u>
Corporate bonds	\$ 337,513
Corporate equities	384,955
Equity mutual funds	356,941
External investment pool	426,703
Federal agency securities	253,323
Fixed income mutual funds	39,264
U.S. Treasury	<u>482,691</u>
Total	<u>\$ 2,281,390</u>

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town does not have formal investment policies related to custodial credit risk.

As of June 30, 2022, the Town did not have investments subject to custodial credit risk exposure as all assets were held in the Town's name.

Credit Risk – Investments in Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. The Town does not have formal investment policies related to credit risk.

As of June 30, 2022, the credit quality ratings, as rated by Moody's Investors Service, Inc., of the Town's debt securities were as follows (U.S. Treasury notes have an implied rating of AAA):

<u>Investment Type</u>	<u>Amount</u>	<u>Rating as of Year End</u>	
		<u>AAA</u>	<u>Unrated</u>
Corporate bonds	\$ 337,513	\$ -	\$ 337,513
External investment pool	426,703	-	426,703
Federal agency securities	253,323	253,323	-
Fixed income mutual funds	39,264	-	39,264
U.S. Treasury	<u>482,691</u>	<u>482,691</u>	<u>-</u>
Total	<u>\$ 1,539,494</u>	<u>\$ 736,014</u>	<u>\$ 803,480</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the Town's investment in a single issuer. The Town places no limit on the amount invested in any one

issuer. The Town does not have formal investment policies related to concentration of credit risk exposure.

As of June 30, 2022, the Town did not have investments in any one issuer that exceeded 5% of total investments.

Interest Rate Risk – Investments in Debt Securities

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations was as follows at June 30, 2022:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>		
		<u>1-5</u>	<u>6-10</u>	<u>Not Readily Available</u>
Corporate bonds	\$ 337,513	\$ 301,753	\$ 35,760	\$ -
Federal agency securities	253,323	253,323	-	-
Fixed income mutual funds	39,264	-	-	39,264
U.S. Treasury	<u>482,691</u>	<u>381,890</u>	<u>100,801</u>	<u>-</u>
Total	\$ <u>1,112,791</u>	\$ <u>936,966</u>	\$ <u>136,561</u>	\$ <u>39,264</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town does not have formal investment policies related to foreign currency risk.

At June 30, 2022, none of the Town's investments were exposed to foreign currency risk.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of an asset or liability and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to

unobservable inputs (Level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as Level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The Town had the following fair value measurements as of June 30, 2022:

		Fair Value Measurements Using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<u>Investment Type</u>	<u>Amount</u>			
Investments by fair value level:				
Corporate bonds	\$ 337,513	\$ -	\$ 337,513	\$ -
Corporate equities	384,955	384,955	-	-
Equity mutual funds	356,941	356,941	-	-
Federal agency securities	253,323	-	253,323	-
Fixed income mutual funds	39,264	-	39,264	-
U.S. Treasury	482,691	482,691	-	-
Total	<u>\$ 1,854,687</u>	<u>\$ 1,224,587</u>	<u>\$ 630,100</u>	<u>\$ -</u>
			Redemption Frequency (If currently eligible)	Redemption Notice Period
		<u>Amount</u>	<u>Unfunded Commitments</u>	
Investments measured using NAV:				
External investment pool	<u>\$ 426,703</u>	<u>\$ -</u>	Monthly	30 Days

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

The net asset value (NAV) per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification.

4. Property Taxes and Excises Receivables

Real and personal property taxes are based on market values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Also by law, property taxes must be levied at least 30 days prior to their due date. Once levied, these taxes are recorded as receivables, net of estimated uncollectible balances. Property tax revenues have been recorded using the accrual and modified accrual basis of accounting in the government-wide and fund basis statements, respectively.

The Town bills and collects its property taxes on a quarterly basis following the January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid generally occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as "Proposition 2½" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2½ limits the total levy to an amount not greater than 2½% of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2½% of the prior year's levy plus the taxes on property newly added to the tax rolls.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth of Massachusetts. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise

assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 of value.

Property taxes and excise receivables at June 30, 2022 consisted of the following:

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Current Portion	Long- Term Portion
Real estate taxes	\$ 374,936	\$ (55,157)	\$ 319,779	\$ -
Personal property taxes	190,426	(76,339)	114,087	-
Community preservation act	3,214	(445)	2,769	-
Tax liens	503,680	(50,374)	43,600	409,706
Deferred taxes	5,152	(519)	4,633	-
Total property taxes	<u>\$ 1,077,408</u>	<u>\$ (182,834)</u>	<u>\$ 484,868</u>	<u>\$ 409,706</u>
Motor vehicle excise	<u>\$ 227,623</u>	<u>\$ (60,087)</u>	<u>\$ 167,536</u>	
Total excises	<u>\$ 227,623</u>	<u>\$ (60,087)</u>	<u>\$ 167,536</u>	

5. User Fees Receivable

Receivables for user charges at June 30, 2022 consisted of the following:

Water receivables	\$ 700,542
Sewer receivables	<u>388,167</u>
Total	<u>\$ 1,088,709</u>

6. Intergovernmental Receivables

This balance represents reimbursements requested from federal and state agencies for expenditures incurred in fiscal year 2022.

7. Transfers

The Town reports interfund transfers between various funds. Most transfers results from budgetary or statutory actions, whereby funds are moved to accomplish various

expenditure purposes. The following is a schedule of major interfund transfers for the year ended June 30, 2022:

Governmental Funds	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 166,668
Business-Type Funds		
Sewer Fund	<u>166,668</u>	<u>-</u>
Grand Total	<u>\$ 166,668</u>	<u>\$ 166,668</u>

8. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Being Depreciated:				
Buildings and improvements	\$ 60,916,925	\$ -	\$ (509,699)	\$ 60,407,226
Machinery and equipment	3,950,240	-	-	3,950,240
Vehicles	5,979,988	360,000	-	6,339,988
Software	215,709	-	-	215,709
Infrastructure	<u>15,393,143</u>	<u>-</u>	<u>-</u>	<u>15,393,143</u>
Total Capital Assets, Being Depreciated	86,456,005	360,000	(509,699)	86,306,306
Less Accumulated Depreciation For:				
Buildings and improvements	(15,242,514)	(1,532,724)	361,209	(16,414,029)
Machinery and equipment	(3,245,073)	(155,412)	-	(3,400,485)
Vehicles	(3,689,681)	(344,803)	-	(4,034,484)
Software	(178,212)	(12,499)	-	(190,711)
Infrastructure	<u>(5,941,295)</u>	<u>(377,573)</u>	<u>-</u>	<u>(6,318,868)</u>
Total Accumulated Depreciation	<u>(28,296,775)</u>	<u>(2,423,011)</u>	<u>361,209</u>	<u>(30,358,577)</u>
Total Capital Assets, Being Depreciated, Net	58,159,230	(2,063,011)	(148,490)	55,947,729
Capital Assets, Not Being Depreciated:				
Land	3,842,155	-	-	3,842,155
Construction in progress	<u>588,170</u>	<u>235,807</u>	<u>-</u>	<u>823,977</u>
Total Capital Assets, Not Being Depreciated	<u>4,430,325</u>	<u>235,807</u>	<u>-</u>	<u>4,666,132</u>
Governmental Activities Capital Assets, Net	<u>\$ 62,589,555</u>	<u>\$ (1,827,204)</u>	<u>\$ (148,490)</u>	<u>\$ 60,613,861</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities				
Capital Assets, Being Depreciated:				
Buildings and improvements	\$ 4,434,844	\$ 19,750	\$ -	\$ 4,454,594
Machinery and equipment	-	40,000	-	40,000
Vehicles	236,282	-	-	236,282
Software	339,000	160,697	-	499,697
Infrastructure	<u>18,256,049</u>	<u>1,258,682</u>	<u>-</u>	<u>19,514,731</u>
Total Capital Assets, Being Depreciated	23,266,175	1,479,129	-	24,745,304
Less Accumulated Depreciation for:				
Buildings and improvements	(2,066,899)	(103,231)	-	(2,170,130)
Machinery and equipment	-	(5,714)	-	(5,714)
Vehicles	(141,124)	(28,278)	-	(169,402)
Software	(301,500)	(34,820)	-	(336,320)
Infrastructure	<u>(5,306,605)</u>	<u>(468,273)</u>	<u>-</u>	<u>(5,774,878)</u>
Total Accumulated Depreciation	<u>(7,816,128)</u>	<u>(640,316)</u>	<u>-</u>	<u>(8,456,444)</u>
Total Capital Assets, Being Depreciated, Net	15,450,047	838,813	-	16,288,860
Capital Assets, Not Being Depreciated:				
Land	965,000	-	-	965,000
Construction in progress	<u>4,755,256</u>	<u>1,837,555</u>	<u>(1,485,128)</u>	<u>5,107,683</u>
Total Capital Assets, Not Being Depreciated	<u>5,720,256</u>	<u>1,837,555</u>	<u>(1,485,128)</u>	<u>6,072,683</u>
Business-type Activities Capital Assets, Net	<u>\$ 21,170,303</u>	<u>\$ 2,676,368</u>	<u>\$ (1,485,128)</u>	<u>\$ 22,361,543</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental Activities

General government	\$ 900,630
Public safety	363,522
Education	612,096
Public works	471,129
Culture and recreation	21,058
Health and human services	<u>54,576</u>
Total Governmental Activities	<u>\$ 2,423,011</u>

Business-Type Activities

Water	\$ 457,109
Sewer	<u>183,207</u>
Total Business-Type Activities	<u>\$ 640,316</u>

9. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the Town that applies to future reporting periods. Deferred outflows of resources have a positive effect

on net position, similar to assets. Deferred outflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

10. Accounts Payable

Warrants payable represent fiscal year 2022 expenditures paid by July 15, 2022 and accounts payable represent additional 2021 expenditures paid after July 15, 2021.

11. Accrued Liabilities

Accrued liabilities represent fiscal year 2022 expenditures paid in 2022.

12. Unearned Revenue

Unearned revenue represents grant funds received by the Town from the American Rescue Plan Act (ARPA). These funds will be used for COVID-19 related expenditures or negative economic impacts of COVID-19 over the next several years.

13. Tax Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements. These cases are currently pending with the Commonwealth of Massachusetts Appellate Tax Board.

14. Notes Payable

The Town had the following notes outstanding at June 30, 2022:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at 6/30/22</u>
Governmental Activities				
Ambulance	3.50%	06/28/22	06/28/23	\$ <u>360,000</u>
Total Governmental Activities				360,000
Business-Type Activities				
Pleasant Street & Grove St water main	3.50%	06/28/22	06/28/23	2,400,000
Turnpike Lake Treatment Plant planning	3.50%	06/28/22	06/28/23	<u>850,000</u>
Total Business-Type Activities				<u>3,250,000</u>
Total				\$ <u><u>3,610,000</u></u>

Additional disclosures for short-term debt that matured on June 28, 2023 can be found in Note 22.

The following summarizes activity in notes payable during fiscal year 2022:

<u>Purpose</u>	Balance Beginning of Year	New Issues	Balance End of Year
Governmental Activities			
Ambulance	\$ -	\$ 360,000	\$ 360,000
Total Governmental Activities	-	360,000	360,000
Business-Type Activities			
Pleasant Street & Grove Street water main	-	2,400,000	2,400,000
Turnpike Lake Treatment Plant planning	-	850,000	850,000
Total Business-Type Activities	-	3,250,000	3,250,000
Total	\$ -	\$ 3,610,000	\$ 3,610,000

15. Long-Term Debt

General Obligation Bonds and Loans

The Town issues general obligation bonds and direct borrowings to provide funds for the acquisition and construction of major capital acquisitions. General obligation bonds and direct borrowings outstanding at June 30, 2022 were as follows:

Governmental Activities	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/22
General obligation bonds:			
Wood School	06/15/23	2.13-3.00%	\$ 495,000
Fire ladder truck	04/15/27	2.00-3.00%	670,000
Land purchase	04/15/46	2.00-3.50%	1,275,000
Town building construction	10/15/37	3.00-5.00%	23,820,000
Additional salt shed	08/01/23	5.00%	10,000
Town hall public safety building	08/01/40	2.00-5.00%	1,370,000
Fire engine	08/01/30	4.00-5.00%	575,000
Road and sidewalk improvement	08/01/33	2.00-5.00%	160,000
Purchase two pickup trucks	08/01/27	5.00%	60,000
Replace Mirimichi Bridge	08/01/35	2.00-5.00%	85,000
Repair senior center parking lot	08/01/30	4.00-5.00%	45,000
Tennis courts and town park improvement	08/01/30	4.00-5.00%	45,000
Police portable radios	08/01/26	5.00%	25,000
Jackson School parking area	08/01/31	4.00-5.00%	50,000
Jackson School roof	08/01/30	4.00-5.00%	45,000
Jackson School playground	08/01/31	4.00-5.00%	50,000
Additional road and sidewalk improvement	08/01/33	2.00-5.00%	180,000
Town hall feasibility study	08/01/24	5.00%	35,000
Roadway maintenance program	08/01/34	2.00-5.00%	460,000
Mirimichi Bridge replacement	08/01/35	2.00-5.00%	650,000
Jackson School weatherization improvement	08/01/24	5.00%	15,000
Jackson School lighting improvements	08/01/24	5.00%	15,000
Wood School cafeteria tables	08/01/24	5.00%	20,000
Police cruiser replacement	08/01/24	5.00%	45,000
Fire training simulation assembly and equipping	08/01/24	5.00%	35,000
Total general obligation bonds			30,235,000
Loans payable (direct borrowings):			
Durango - fire	01/15/23	Not Readily Available	13,505
Total loans payable (direct borrowings)			13,505
Total Governmental Activities			\$ 30,248,505

(continued)

(continued)

	Serial	Interest	Amount
	Maturities	Rate(s) %	Outstanding
Business-Type Activities	<u>Through</u>		as of
			<u>6/30/22</u>
Water fund general obligation bonds:			
Water treatment plant	06/15/23	2.00-4.00%	\$ 70,000
Water storage tank	06/15/23	2.00-4.00%	55,000
Water land purchase	06/15/23	2.00-4.00%	40,000
Water main replacements	04/15/27	2.00-3.00%	30,000
Water mains, valves, and hydrants	04/15/27	2.00-3.00%	300,000
Water main replacement design & construction	08/01/35	2.00-5.00%	550,000
Water booster design and construction	08/01/40	2.00-5.00%	730,000
School Street water main replacement	08/01/40	2.00-5.00%	1,265,000
Washington and Bubgee Street water main	08/01/40	2.00-5.00%	2,435,000
Water well replacement 3B and 3C	08/01/40	2.00-5.00%	680,000
Water EPA risk assessment	08/01/25	5.00%	90,000
F350 utility pickup	08/01/24	5.00%	30,000
Well I pumphouse roof replacement	08/01/26	5.00%	25,000
Water well mechanical pump rehab	08/01/25	5.00%	20,000
Water well and building equipment	08/01/25	5.00%	20,000
Water SCADA system upgrades	08/01/30	4.00-5.00%	65,000
Taunton River basin WMA	08/01/25	5.00%	80,000
Turnpike well 1 water well	08/01/30	4.00-5.00%	<u>225,000</u>
Total Water Fund general obligation bonds			6,710,000
Water Fund loans payable (direct borrowings):			
MWPAT	07/15/25	2.00%	255,077
MCWT	01/15/27	2.00%	<u>331,452</u>
Total Water Fund loans payable (direct borrowings)			586,529
Sewer Fund general obligation bonds:			
Sewer system rehab	08/01/30	4.00-5.00%	85,000
Washington Street sewer pump station	08/01/35	2.00-5.00%	300,000
Sewer I&I	08/01/35	2.00-5.00%	70,000
SCADA sewer improvements	08/01/25	5.00%	20,000
Sewer I&I elimination phase IV	08/01/35	2.00-5.00%	70,000
Washington Street sewer pump station	08/01/30	4.00-5.00%	45,000
Sewer inflow mitigation	08/01/40	2.00-5.00%	<u>485,000</u>
Total Sewer Fund general obligation bonds			1,075,000
Sewer Fund loans payable (direct borrowings):			
MWPAT	01/15/33	2.00%	<u>1,478,505</u>
Total Sewer Fund loans payable (direct borrowings)			<u>1,478,505</u>
Total Business-Type Activities			<u>\$ 9,850,034</u>

Future Debt Service

The annual payments to retire all general obligation bonds and loans outstanding as of June 30, 2022 were as follows:

Governmental	Bonds		Loans Payable (Direct Borrowings)		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 2,110,000	\$ 1,135,281	\$ 13,505	\$ 808	\$ 3,259,594
2024	1,650,000	1,048,838	-	-	2,698,838
2025	1,700,000	968,888	-	-	2,668,888
2026	1,705,000	887,563	-	-	2,592,563
2027	1,755,000	804,738	-	-	2,559,738
2028	1,690,000	719,063	-	-	2,409,063
2029	1,740,000	641,438	-	-	2,381,438
2030	1,790,000	568,613	-	-	2,358,613
2031	1,840,000	495,188	-	-	2,335,188
2032	1,830,000	422,338	-	-	2,252,338
2033 - 2037	9,770,000	1,141,619	-	-	10,911,619
2037 - 2042	2,455,000	103,556	-	-	2,558,556
2043 - 2046	200,000	17,500	-	-	217,500
Total	<u>\$ 30,235,000</u>	<u>\$ 8,954,623</u>	<u>\$ 13,505</u>	<u>\$ 808</u>	<u>\$ 39,203,936</u>

Business-Type	Bonds		Loans Payable (Direct Borrowings)		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 630,000	\$ 267,375	\$ 259,750	\$ 40,682	\$ 1,197,807
2024	470,000	242,469	262,379	35,474	1,010,322
2025	480,000	220,019	265,064	30,214	995,297
2026	480,000	197,269	267,804	24,900	969,973
2027	425,000	175,994	203,580	20,201	824,775
2028	365,000	155,919	134,410	16,129	671,458
2029	380,000	137,294	134,410	13,441	665,145
2030	395,000	117,919	134,410	10,753	658,082
2031	400,000	100,044	134,410	8,065	642,519
2032	375,000	84,544	134,410	5,376	599,330
2033 - 2037	1,925,000	269,928	134,407	2,688	2,332,023
2037 - 2041	1,460,000	71,194	-	-	1,531,194
Total	<u>\$ 7,785,000</u>	<u>\$ 2,039,968</u>	<u>\$ 2,065,034</u>	<u>\$ 207,923</u>	<u>\$ 12,097,925</u>

Changes in Long-Term Liabilities

During the year ended June 30, 2022, the following changes occurred in long-term liabilities (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Governmental Activities						
Bonds payable	\$ 32,459	\$ -	\$ (2,224)	\$ 30,235	\$ (2,110)	\$ 28,125
Loans payable (direct borrowings)	26	-	(13)	13	(13)	-
Unamortized premium	<u>1,814</u>	<u>-</u>	<u>(218)</u>	<u>1,596</u>	<u>(218)</u>	<u>1,378</u>
Subtotal	34,299	-	(2,455)	31,844	(2,341)	29,503
Net pension liability	12,791	-	(2,750)	10,041	-	10,041
Net OPEB liability	30,086	-	(4,149)	25,937	-	25,937
Compensated absences	<u>-</u>	<u>298</u>	<u>-</u>	<u>298</u>	<u>(15)</u>	<u>283</u>
Totals	<u>\$ 77,176</u>	<u>\$ 298</u>	<u>\$ (9,354)</u>	<u>\$ 68,120</u>	<u>\$ (2,356)</u>	<u>\$ 65,764</u>
 Business-Type Activities						
Bonds payable	\$ 8,461	\$ -	\$ (676)	\$ 7,785	\$ (630)	\$ 7,155
Loans payable (direct borrowings)	<u>2,322</u>	<u>-</u>	<u>(257)</u>	<u>2,065</u>	<u>(260)</u>	<u>1,805</u>
Subtotal	10,783	-	(933)	9,850	(890)	8,960
Net pension liability	673	-	(417)	256	-	256
Net OPEB liability	<u>756</u>	<u>-</u>	<u>(95)</u>	<u>661</u>	<u>-</u>	<u>661</u>
Totals	<u>\$ 12,212</u>	<u>\$ -</u>	<u>\$ (1,445)</u>	<u>\$ 10,767</u>	<u>\$ (890)</u>	<u>\$ 9,877</u>

Long-Term Debt Supporting Governmental and Business-Type Activities

Bonds and loans issued by the Town for various municipal projects are approved by Town Meeting and repaid with revenues recorded in the General Fund and user fees recorded in enterprise funds. All other long-term debt is repaid from the funds that the cost relates to, primarily the General Fund and enterprise funds.

16. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of net assets by the Town that apply to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB, in accordance with GASB Statements No. 69 and 75, will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the governmental funds Balance Sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

17. Governmental Funds - Fund Balances

The Town's fund balances at June 30, 2022 were comprised of the following:

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Restricted			
Capital project funds	\$ -	\$ 481,467	\$ 481,467
Special revenue funds:			
Community preservation fund	-	701,095	701,095
School lunch	-	274,400	274,400
Receipts reserved for appropriation	-	856,503	856,503
Town grants	-	179,717	179,717
Town revolving funds	-	807,875	807,875
T.I.P donation	-	1,113,669	1,113,669
Gifts	-	209,582	209,582
Other	-	449,297	449,297
Expendable trust funds	-	16,087	16,087
Total Restricted	-	5,089,692	5,089,692
Committed			
Building maintenance	150,000	-	150,000
Replace school lighting and HVAC	80,000	-	80,000
Union and personnel contracts	67,472	-	67,472
Pavement management program	62,558	-	62,558
Other	222,993	-	222,993
Landfill closure stabilization	2,472,753	-	2,472,753
Capital stabilization	2,220,482	-	2,220,482
Planning mitigation stabilization	75,000	-	75,000
Special education stabilization	120,000	-	120,000
Total Committed	5,471,258	-	5,471,258
Assigned			
Tuition	119,749	-	119,749
Other	170,682	-	170,682
Petty cash	550	-	550
Next year's expenditures	965,672	-	965,672
Total Assigned	1,256,653	-	1,256,653
Unassigned			
General Fund	4,191,343	-	4,191,343
General stabilization	2,621,753	-	2,621,753
Special revenue funds	-	(205,794)	(205,794)
Capital project funds	-	(359,249)	(359,249)
Total Unassigned	6,813,096	(565,043)	6,248,053
Total Fund Balances	\$ <u>13,541,007</u>	\$ <u>4,524,649</u>	\$ <u>18,065,656</u>

18. Norfolk County Retirement System

The Town follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to employees' retirement funds.

Plan Description

Substantially all employees of the Town (except teachers and administrators under contract employed by the School Department) are members of the Norfolk County Retirement System (the System), a cost-sharing, multiple-employer, public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports publicly available from the System located at 480 Neponset Street, Building 15, Canton, MA 02021.

Participant Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the System. In addition, all employees hired on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
Beginning July 1, 1996	9%

For those members entering the System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Participant Retirement Benefits

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired

prior to April 2, 2012 and the highest 5-year average annual rate of regular compensation for those first becoming members of the System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are four classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

Methods of Payment

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.

- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree’s beneficiary or beneficiaries of choice.
- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member’s designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or “pops up” to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable “pops up” to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Employer Contributions

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The Town’s contribution to the System for the year ended June 30, 2022 was \$2,393,709, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pensions

At June 30, 2022, the Town reported a liability of \$10,296,726 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Town's proportion was 2.79%, which was an increase of 0.15% from the proportionate share measured as of June 30, 2021.

For the year ended June 30, 2022, the Town recognized pension expense of \$1,013,602. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 1,041,503	\$ -
Net difference between projected and actual earnings on pension plan investments	-	3,809,810
Changes in proportion and differences between contributions and proportionate share of contributions	<u>625,617</u>	<u>33,038</u>
Total	<u>\$ 1,667,120</u>	<u>\$ 3,842,848</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as increases (decreases) in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2023	\$ (25,741)
2024	(944,211)
2025	(518,877)
2026	<u>(686,899)</u>
Total	<u>\$ (2,175,728)</u>

Actuarial Assumptions

The total pension liability in the latest actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

COLA	3.00% of first \$18,000 of retirement income
Salary increases	3.5% - 5.5%
Valuation date	January 1, 2022
Inflation rate	3.00%
Investment rate of return	7.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table adjusted with Scale MP-2014.

Target Allocations

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	30.50%	7.00%
International equities	15.50%	7.70%
Fixed income	20.50%	4.30%
Real estate	9.50%	6.90%
Private equity	10.00%	9.40%
Hedge funds	11.50%	8.60%
Real assets	2.50%	8.90%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based

on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the Town's proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
\$17,136,937	\$10,296,726	\$ 7,322,102

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the System's separately issued financial report.

19. Massachusetts Teachers' Retirement System (MTRS)

Plan Description

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing, multi-employer, defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth of Massachusetts on behalf of municipal teachers and municipal teacher retirees. The Commonwealth of Massachusetts is a nonemployer contributor and is responsible for all 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 of Massachusetts' reporting entity and does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last 5 years or any 5 consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Contributions

Member contributions for MTRS vary depending on the most recent date of membership:

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 to 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

In addition, members who join MTRS on or after April 2, 2012 will have their withholding rates reduced to 8% for those participating in retirement, otherwise the withholdings are reduced to 6% plus 2% on earnings over \$30,000 a year after achieving 30 years of creditable service.

Actuarial Assumptions

The net pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of January 1, 2021 rolled forward to June 30, 2021. This valuation used the following assumptions:

- (a) 7.00% (changed from 7.15%) investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase on the first \$13,000 per year.
- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-retirement mortality from 2012 – 2020.
- Mortality rates were as follows:
 - Pre-retirement – reflects RP-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender district).
 - Post-retirement – reflects RP-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).
 - Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2020 (gender distinct).

Target Allocations

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2021 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	39.00%	4.80%
Core fixed income	15.00%	0.30%
Private equity	13.00%	7.80%
Portfolio completion strategies	11.00%	2.90%
Real estate	10.00%	3.70%
Value added fixed income	8.00%	3.90%
Timber/natural resources	4.00%	4.30%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth of Massachusetts' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the 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 Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

1% Decrease	Current Discount Rate	1% Increase
<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
\$ 29,687,706	\$ 22,706,876	\$ 16,882,184

Special Funding Situation

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarial determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by Governmental Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and the Commonwealth of Massachusetts is a nonemployer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

Town Proportions

In fiscal year 2021 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability was \$14,364,397 based on a proportionate share of 0.063260%. As required by GASB 68, the Town has recognized its portion of the Commonwealth of Massachusetts' contribution of \$1,106,092 as both a revenue and expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and its portion of the collective pension expense of \$46,591 as both a revenue and expense on the Statement of Activities.

20. Other Post-Employment Benefits (GASB 74 and GASB 75)

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2012, the Town established a single employer defined benefit OPEB Trust Fund to provide funding for future employee health care costs. The OPEB Trust Fund does not issue a stand-alone financial report.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

All the following OPEB disclosures are based on a measurement date of June 30, 2022.

General Information about the OPEB Plan

Plan Description

The Town provides post-employment healthcare and life insurance benefits for retired employees through the Town's plan. The Town provides health insurance coverage through Blue Cross Blue Shield of New England. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of Massachusetts General Laws.

Benefits Provided

The Town provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

Funding Policy

The Town's funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on annual budget limitations/authorizations.

Plan Membership

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	149
Active employees	<u>174</u>
Total	<u>323</u>

Investments

The OPEB trust fund assets consist of equity mutual funds, external investment pool, and fixed income mutual funds.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (13.90)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions and Other Inputs

The net OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year
Salary increases	3.00% per year
Investment rate of return	6.19%
Municipal bond rate	4.09%
Discount rate	4.81% (previously 3.50%)
Healthcare cost trend rates	4.50% in fiscal year 2022 and an ultimate trend rate of 3.60% in fiscal year 2061
Retirees' share of benefit-related costs	Participants pay 23.90% for premiums for the HMO Blue and Value Plan, 25% for Blue Care Elect, and 50% for all other medical plans. Participants pay 50% of premiums for life insurance (40% for retired teachers through GIC) as well as 100% of premiums for dental insurance.
Participation rate	80% of employees eligible to receive both medical and life insurance

Mortality rates for pre-retirement were based on RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Mortality rates for post-retirement were based on RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Mortality rates for disabled were based on RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study of the Massachusetts PERAC issued in 2014 and their most recent analysis of retiree mortality during 2015 and 2016.

Target Allocations

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 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 target asset allocation as of June 30, 2022 are summarized in the following table.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity - Large Cap	30.00%	4.42%
Domestic Equity - Small/Mid Cap	20.00%	4.81%
International Equity - Developed Market	16.00%	4.91%
International Equity - Emerging Market	7.00%	5.58%
Domestic Fixed Income	23.00%	1.00%
International Fixed Income	0.00%	1.04%
Alternatives	0.00%	5.98%
Real Estate	4.00%	6.25%
Total	<u>100.00%</u>	

Contributions

In addition to the implicit subsidy contribution, the Town's policy to contribute amounts provided annually by the budget.

Discount Rate

The discount rate used to measure the net OPEB liability was 4.81%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position is not projected to be available to make all projected future benefit payments of current plan members. As a result, a blended discount rate was used based on a combination of the investment rate of return of 6.19% through fiscal year 2050 and municipal bond rate of 4.09% thereafter (based on S&P Municipal Bond 20-Year High Grade Index)

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2022, were as follows:

Total OPEB liability	\$ 27,121,638
Plan fiduciary net position	<u>523,408</u>
Net OPEB liability	<u>\$ 26,598,230</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.93%

The fiduciary net position has been determined on the same basis used by the OPEB Plan. For this purpose, the Plan recognizes benefit payments when due and payable.

Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability for the past year:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances, beginning of year	\$ 31,398,943	\$ 556,618	\$ 30,842,325
Changes for the year:			
Service cost	1,016,451	-	1,016,451
Interest	1,120,179	-	1,120,179
Contributions - employer	-	877,655	(877,655)
Net investment income (loss)	-	(83,210)	83,210
Changes in assumptions or other inputs	(5,586,280)	-	(5,586,280)
Benefit payments	<u>(827,655)</u>	<u>(827,655)</u>	<u>-</u>
Net Changes	<u>(4,277,305)</u>	<u>(33,210)</u>	<u>(4,244,095)</u>
Balances, end of year	<u>\$ 27,121,638</u>	<u>\$ 523,408</u>	<u>\$ 26,598,230</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% in 2021 to 4.81% in 2020.

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

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

1% Decrease <u>(3.81%)</u>	Current Discount Rate <u>(4.81%)</u>	1% Increase <u>(5.81%)</u>
\$ 31,077,045	\$ 26,598,230	\$ 23,036,576

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

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

1% <u>Decrease</u>	Current Healthcare Cost Trend Rates <u>Rates</u>	1% <u>Increase</u>
\$ 22,617,404	\$ 26,598,230	\$ 31,683,860

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

For the year ended June 30, 2022, the Town recognized an OPEB expense of \$1,115,762. At June 30, 2022, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ -	\$ 5,404,384
Change in assumptions	4,827,008	4,652,120
Net difference between projected and actual OPEB investment earnings	<u>48,000</u>	<u>-</u>
Total	\$ <u>4,875,008</u>	\$ <u>10,056,504</u>

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

<u>Year Ended June 30:</u>	<u>Amount</u>
2023	\$ (979,331)
2024	(980,536)
2025	(1,051,002)
2026	(1,255,147)
2027	<u>(915,480)</u>
Total	\$ <u>(5,181,496)</u>

21. Commitments and Contingencies

Outstanding Legal Issues

On an ongoing basis, there are typically pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Encumbrances

At year-end the Town's General Fund had \$290,431 in encumbrances that will be honored in the next fiscal year.

22. Subsequent Events

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

Debt

Subsequent to June 30, 2022, the Town incurred the following additional debt:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
Bond anticipation note	\$ 3,250,000	5.00%	06/28/23	01/26/24

23. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (P3s and APAs), and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAS), effective for the Town beginning June 30, 2023. These statements establish new reporting and disclosure requirements for P3s, APAs, and SBITAS. Management is currently evaluating the impact of implementing these GASB pronouncements.

TOWN OF PLAINVILLE, MASSACHUSETTS

Required Supplementary Information

General Fund

Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual

For the Year Ended June 30, 2022

(unaudited)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Revenues				
Property taxes	\$ 26,027,889	\$ 26,027,889	\$ 26,096,922	\$ 69,033
Excises	1,244,000	1,244,000	2,034,778	790,778
Penalties, interest, and other taxes	355,130	355,130	562,144	207,014
Charges for services	1,221,400	1,221,400	1,715,665	494,265
Intergovernmental	4,670,122	4,670,122	4,821,456	151,334
Licenses and permits	393,250	393,250	1,455,039	1,061,789
Fines and forfeitures	13,000	13,000	16,305	3,305
Investment income	25,000	25,000	27,114	2,114
Miscellaneous	<u>561</u>	<u>561</u>	<u>25,523</u>	<u>24,962</u>
Total Revenues	33,950,352	33,950,352	36,754,946	2,804,594
Expenditures				
General government	1,675,931	1,675,981	1,656,534	19,447
Public safety	5,986,284	5,986,284	5,956,797	29,487
Education	16,766,442	16,766,442	16,655,637	110,805
Public works	1,862,658	1,982,616	1,942,649	39,967
Health and human services	520,830	520,830	520,830	-
Culture and recreation	360,973	360,973	355,493	5,480
Employee benefits	5,806,709	5,806,709	5,597,040	209,669
Debt service	3,793,281	3,793,281	3,768,280	25,001
Intergovernmental	<u>1,253,307</u>	<u>1,253,307</u>	<u>1,218,572</u>	<u>34,735</u>
Total Expenditures	<u>38,026,415</u>	<u>38,146,423</u>	<u>37,671,832</u>	<u>474,591</u>
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	(4,076,063)	(4,196,071)	(916,886)	3,279,185
Other Financing Sources (Uses)				
Transfers in	2,584,299	2,584,299	2,584,299	-
Transfers out	(1,932,128)	(1,932,128)	(1,800,000)	132,128
Use of free cash	3,138,532	3,258,540	3,258,540	-
Use of prior year fund balance (carryforwards)	<u>285,360</u>	<u>285,360</u>	<u>285,360</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,076,063</u>	<u>4,196,071</u>	<u>4,328,199</u>	<u>132,128</u>
Overall Budgetary Excess	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,411,313</u>	\$ <u>3,411,313</u>

See Notes to the Required Supplementary Information.

See Independent Auditors' Report.

**Notes to the Required Supplementary Information
for General Fund Budget**

Budgetary Basis

The General Fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from GAAP. Therefore, in addition to the GAAP basis financial statements, the results of operations of the General Fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other (uses), to conform to the budgetary basis of accounting.

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
Revenues/expenditures/other financing sources/uses (GAAP Basis)	\$ 39,846,413	\$ 37,500,735	\$ (166,668)
To reverse unbudgeted GASB 24 Massachusetts Teacher Retirement System	(1,106,092)	(1,106,092)	-
To record use of prior year carryforwards	-	-	285,360
Current year carryforwards and continuing appropriations	-	873,176	-
To record use of free cash	-	-	3,258,540
Reclassification of budgeted transfers	-	561,348	561,348
Other adjustments	(8,041)	(107,335)	-
Reverse the effects of combining the General Fund and stabilization funds (GASB 54)	<u>(1,977,334)</u>	<u>(50,000)</u>	<u>389,619</u>
Budgetary Basis	<u>\$ 36,754,946</u>	<u>\$ 37,671,832</u>	<u>\$ 4,328,199</u>

TOWN OF PLAINVILLE, MASSACHUSETTS
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
(Unaudited)

Norfolk County Retirement System						
Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2022	December 31, 2021	2.79%	\$10,296,726	\$ 7,922,295	129.97%	79.40%
June 30, 2021	December 31, 2020	2.64%	\$13,464,001	\$ 9,212,000	146.16%	70.20%
June 30, 2020	December 31, 2019	2.63%	\$15,458,695	\$ 8,900,483	173.68%	64.60%
June 30, 2019	December 31, 2018	2.65%	\$17,275,957	\$ 8,022,422	215.35%	58.30%
June 30, 2018	December 31, 2017	2.65%	\$14,661,804	\$ 7,751,152	189.16%	63.50%
June 30, 2017	December 31, 2016	2.71%	\$14,132,195	\$ 7,591,280	186.16%	61.60%
June 30, 2016	December 31, 2015	2.71%	\$14,705,913	\$ 7,235,026	203.26%	58.60%
June 30, 2015	December 31, 2015	2.45%	\$12,717,840	\$ 5,818,810	218.56%	60.10%

Massachusetts Teachers' Retirement System								
Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town	Total Net Pension Liability Associated with the Town	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2022	June 30, 2021	0.06%	\$ -	\$ 14,364,397	\$ 14,364,397	\$ 4,906,438	-	62.03%
June 30, 2021	June 30, 2020	0.08%	\$ -	\$ 21,682,620	\$ 21,682,620	\$ 5,755,312	-	50.67%
June 30, 2020	June 30, 2019	0.08%	\$ -	\$ 19,596,191	\$ 19,596,191	\$ 5,655,727	-	53.95%
June 30, 2019	June 30, 2018	0.08%	\$ -	\$ 18,027,732	\$ 18,027,732	\$ 5,339,485	-	54.84%
June 30, 2018	June 30, 2017	0.07%	\$ -	\$ 16,718,715	\$ 16,718,715	\$ 4,960,708	-	54.25%
June 30, 2017	June 30, 2016	0.07%	\$ -	\$ 16,267,766	\$ 16,267,766	\$ 4,785,968	-	52.73%
June 30, 2016	June 30, 2015	0.07%	\$ -	\$ 14,855,105	\$ 14,855,105	\$ 4,595,757	-	55.38%
June 30, 2015	June 30, 2014	0.07%	\$ -	\$ 11,484,417	\$ 11,484,417	\$ 4,429,759	-	61.64%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF PLAINVILLE, MASSACHUSETTS

Required Supplementary Information
Schedule of Pension Contributions

(Unaudited)

Norfolk County Retirement System						
Fiscal <u>Year</u>	Measurement <u>Date</u>	Contributions in Relation to the			Covered <u>Payroll</u>	Contributions as a Percentage of <u>Covered Payroll</u>
		Actuarially Determined <u>Contribution</u>	Actuarially Determined <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>		
June 30, 2022	December 31, 2021	\$ 2,393,709	\$ 2,393,709	\$ -	\$ 7,922,295	30.21%
June 30, 2021	December 31, 2020	\$ 2,111,287	\$ 2,111,287	\$ -	\$ 9,212,000	22.92%
June 30, 2020	December 31, 2019	\$ 1,972,106	\$ 1,972,106	\$ -	\$ 8,900,483	22.16%
June 30, 2019	December 31, 2018	\$ 1,856,698	\$ 1,856,698	\$ -	\$ 8,022,442	23.14%
June 30, 2018	December 31, 2017	\$ 1,697,074	\$ 1,697,074	\$ -	\$ 7,751,152	21.89%
June 30, 2017	December 31, 2016	\$ 1,359,848	\$ 1,359,848	\$ -	\$ 7,591,280	17.91%
June 30, 2016	December 31, 2015	\$ 1,234,888	\$ 1,234,888	\$ -	\$ 7,235,026	17.07%
June 30, 2015	December 31, 2014	\$ 1,186,472	\$ 1,186,472	\$ -	\$ 5,818,810	20.39%

Massachusetts Teachers' Retirement System						
Fiscal <u>Year</u>	Measurement <u>Date</u>	Contributions in Relation to the			Covered <u>Payroll</u>	Contributions as a Percentage of <u>Covered Payroll</u>
		Actuarially Determined Contribution Provided by <u>Commonwealth</u>	Actuarially Determined <u>Contribution</u>	Contribution Deficiency <u>(Excess)</u>		
June 30, 2022	June 30, 2021	\$ 1,106,092	\$ 1,106,092	\$ -	\$ 4,906,438	22.54%
June 30, 2021	June 30, 2020	\$ 1,179,985	\$ 1,179,985	\$ -	\$ 5,755,312	20.50%
June 30, 2020	June 30, 2019	\$ 1,122,043	\$ 1,122,043	\$ -	\$ 5,655,727	19.84%
June 30, 2019	June 30, 2018	\$ 999,632	\$ 999,632	\$ -	\$ 5,339,485	18.72%
June 30, 2018	June 30, 2017	\$ 902,594	\$ 902,594	\$ -	\$ 4,960,708	18.19%
June 30, 2017	June 30, 2016	\$ 818,254	\$ 818,254	\$ -	\$ 4,785,968	17.10%
June 30, 2016	June 30, 2015	\$ 740,905	\$ 740,905	\$ -	\$ 4,595,757	16.12%
June 30, 2015	June 30, 2014	\$ 677,215	\$ 677,215	\$ -	\$ 4,429,759	15.29%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF PLAINVILLE, MASSACHUSETTS
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability

(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service cost	\$ 1,016,451	\$ 1,332,449	\$ 1,315,010	\$ 1,147,704	\$ 1,069,104	\$ 1,027,996
Interest	1,120,179	1,104,429	1,333,931	1,109,443	1,052,307	997,645
Differences between expected and actual experience	-	(6,321,293)	(168,469)	(2,855,031)	-	-
Changes of assumptions	(5,586,280)	3,120,680	2,375,596	3,783,335	-	-
Benefit payments, including refunds of member contributions	<u>(827,655)</u>	<u>(966,905)</u>	<u>(891,068)</u>	<u>(810,509)</u>	<u>(733,505)</u>	<u>(667,508)</u>
Net change in total OPEB liability	(4,277,305)	(1,730,640)	3,965,000	2,374,942	1,387,906	1,358,133
Total OPEB liability - beginning	<u>31,398,943</u>	<u>33,129,583</u>	<u>29,364,583</u>	<u>26,989,641</u>	<u>25,601,735</u>	<u>24,243,602</u>
Total OPEB liability - ending (a)	27,121,638	31,398,943	33,129,583	29,364,583	26,989,641	25,601,735
Plan Fiduciary Net Position						
Contributions - employer	877,655	966,905	891,068	860,509	783,505	768,136
Net investment income	(83,210)	125,453	10,334	19,246	34,057	25,223
Benefit payments, including refunds of member contributions	<u>(827,655)</u>	<u>(966,905)</u>	<u>(891,068)</u>	<u>(810,509)</u>	<u>(733,505)</u>	<u>(667,508)</u>
Net change in plan fiduciary net position	(33,210)	125,453	10,334	69,246	84,057	125,851
Plan fiduciary net position - beginning	<u>556,618</u>	<u>431,165</u>	<u>420,831</u>	<u>351,585</u>	<u>267,528</u>	<u>141,677</u>
Plan fiduciary net position - ending (b)	<u>523,408</u>	<u>556,618</u>	<u>431,165</u>	<u>420,831</u>	<u>351,585</u>	<u>267,528</u>
Net OPEB liability (asset) - ending (a-b)	\$ <u>26,598,230</u>	\$ <u>30,842,325</u>	\$ <u>32,698,418</u>	\$ <u>28,943,752</u>	\$ <u>26,638,056</u>	\$ <u>25,334,207</u>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF PLAINVILLE, MASSACHUSETTS
Required Supplementary Information
Schedules of the Net OPEB Liability, Contributions, and Investment Returns

(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Net OPEB Liability						
Total OPEB liability	\$ 27,121,638	\$ 31,398,943	\$ 33,129,583	\$ 29,364,583	\$ 26,989,641	\$ 25,601,735
Plan fiduciary net position	<u>523,408</u>	<u>556,618</u>	<u>431,165</u>	<u>420,831</u>	<u>351,585</u>	<u>267,528</u>
Net OPEB liability (asset)	<u>\$ 26,598,230</u>	<u>\$ 30,842,325</u>	<u>\$ 32,698,418</u>	<u>\$ 28,943,752</u>	<u>\$ 26,638,056</u>	<u>\$ 25,334,207</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.93%	1.77%	1.30%	1.43%	1.30%	
Covered employee payroll	\$ 12,519,046	\$ 12,154,414	\$ 14,273,533	\$ 13,857,799	\$ 12,671,014	\$ 12,301,957
Net OPEB Liability as a percentage of covered employee payroll	212.46%	253.75%	229.08%	208.86%	210.23%	205.94%
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Contributions						
Actuarially determined contribution	\$ 2,144,962	\$ 2,434,343	\$ 2,983,396	\$ 2,712,414	\$ 2,477,834	\$ 2,368,204
Contributions in relation to the actuarially determined contribution	<u>877,655</u>	<u>966,905</u>	<u>891,068</u>	<u>860,509</u>	<u>783,505</u>	<u>768,136</u>
Contribution deficiency (excess)	<u>\$ 1,267,307</u>	<u>\$ 1,467,438</u>	<u>\$ 2,092,328</u>	<u>\$ 1,851,905</u>	<u>\$ 1,694,329</u>	<u>\$ 1,600,068</u>
Covered employee payroll	\$ 12,519,046	\$ 12,154,414	\$ 14,273,533	\$ 13,857,799	\$ 12,671,014	\$ 12,301,957
Contributions as a percentage of covered employee payroll	7.01%	7.96%	6.24%	6.21%	6.18%	5.51%
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Investment Returns						
Annual money weighted rate of return, net of investment expense	-13.90%	29.10%	2.46%	5.47%	11.67%	6.83%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.