

TOWN OF PLAINVILLE, MASSACHUSETTS

**REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS**

JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Select Board
Town of Plainville, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plainville, Massachusetts, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Plainville, Massachusetts's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Plainville, Massachusetts, as of June 30, 2021, 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.

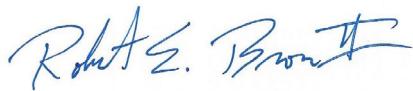
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and Norfolk County Retirement System schedules - Town's proportionate share of the net pension liability, and Town's contribution, Massachusetts Teachers Retirement System's schedule of the Commonwealth's Collective amounts of the Net Pension Liability, Other Postemployment Benefit schedules - Town's Net OPEB Liability and Related Ratios, Town's contribution, and investment return, and notes to required supplementary information on pages 3 – 10, 68 – 69, 70, 71 – 73 and 74 - 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2022, on our consideration of the Town of Plainville, Massachusetts's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Plainville, Massachusetts's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Plainville, Massachusetts's internal control over financial reporting and compliance.



Certified Public Accountant

August 22, 2022

TOWN OF PLAINVILLE, MASSACHUSETTS **Management's Discussion and Analysis**

As management of the Town of Plainville (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider this information in addition to the statements and notes.

The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). GASB is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Users of these financial statements, such as investors and rating agencies, rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users can assess the financial condition of one government compared to others.

Financial Highlights

Effective in FY2018 the Town adopted GASB Statement No. 75 **Accounting and Financial Reporting for Postemployment benefits other than Pensions**, which resulted in a decrease in Net Position. In FY2015 the Town implemented GASB Statement No. 68 **Accounting and Financial Reporting for Pensions**. The purpose of these new standards is to improve the accounting and financial reporting by state and local governments for postemployment benefits; in particular, pensions and healthcare.

These long-term liabilities are now clearly presented on the Statement of Net Position, to better inform the reader as to the Town's financial obligation for future postemployment costs. Please refer to the footnotes to the financial statements as well as the required supplementary information regarding these obligations.

Overview of the Financial Statements

These financial statements have been prepared under the Governmental Accounting Standards Board (GASB) Statement Number 34, **Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments**. The approach mandated by GASB 34 focuses on basic financial statements that comprise three components:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Basic Financial Statements

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

Government-wide Financial Statements

The Statement of Net Position presents information on all assets and liabilities, with the difference between the two reported as net position. The net position serves as a useful indicator of whether the Town's financial situation is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions that are principally supported by user fees or charges (business-type activities). The governmental activities include general government, public safety, education, public works, human services, culture and recreation, pension benefits, employee benefits, interest and state and county charges. The business type activities include costs relating to 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. All of the Town's funds are categorized in three main types: (1) Governmental, (2) Proprietary, and (3) Fiduciary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds 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. This information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement, the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has three funds in this category:

- Water Enterprise Fund accounts for the water activity of the Town,
- Sewer Enterprise Fund accounts for the sewer activity of the Town,
- Trash (Sanitation) Enterprise Fund accounts for the trash collection and disposal activities of the Town.

Fiduciary Funds

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

Private-purpose trust funds, and postemployment benefits trust are each reported and combined into a single, aggregate presentation in the fiduciary funds financial statements under the captions "private purpose trust funds" and "postemployment benefits trust", respectively.

Notes to the basic financial statements

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

Government-wide Financial Analysis

Statement of Net Position

The Town's total net position as of June 30, 2021 was \$14.88 million, of which the governmental activities provided (-\$28 thousand) and the business-type activities provided \$14.90 million.

The Town's largest net position (\$42.4 million) reflects its investment in capital assets (land, buildings, improvements other than buildings, construction in progress, vehicles, machinery and equipment, software, and infrastructure); less any related debt used to acquire those assets that remain outstanding. The Town uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. It is important to note that other resources are needed to repay the debt because the capital assets cannot be used to finance these liabilities.

Approximately \$7.0 million of the Town's net position is subject to external restrictions on how it may be used. The remaining balance (-\$34.6 million) of the Town's net position is unrestricted.

The following table of Condensed Net Position in total indicates an increase in growth for the Town.

Condensed Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Assets:						
Current assets	\$ 16,549,395	\$ 12,020,699	\$ 6,716,525	\$ 7,908,435	\$ 23,265,920	\$ 19,929,134
Noncurrent assets (excluding capital)	505,393	1,010,786	-	-	505,393	1,010,786
Capital assets	62,589,555	64,147,540	21,170,303	18,693,528	83,759,858	82,841,068
Total assets	79,644,343	77,179,025	27,886,828	26,601,963	107,531,171	103,780,988
Deferred Outflow of Resources:	8,149,927	8,186,870	259,797	304,047	8,409,724	8,490,917
Liabilities:						
Current liabilities (excluding debt)	1,344,411	1,531,969	723,212	1,086,052	2,067,623	2,618,021
Noncurrent liabilities (excluding debt)	42,877,083	46,595,491	1,429,243	1,561,622	44,306,326	48,157,113
Current debt	2,444,231	7,040,005	933,020	7,656,673	3,377,251	14,696,678
Noncurrent debt	31,854,915	29,924,990	9,850,033	3,117,208	41,704,948	33,042,198
Total liabilities	78,520,640	85,092,455	12,935,508	13,421,555	91,456,148	98,514,010
Deferred Inflows of Resources:	9,302,557	4,575,050	301,696	182,757	9,604,253	4,757,807
Net Position:						
Net investment in capital assets	29,062,270	27,304,563	13,398,163	8,006,772	42,460,433	35,311,335
Restricted	7,065,832	7,745,070	-	-	7,065,832	7,745,070
Unrestricted	(36,157,029)	(39,351,243)	1,511,258	5,294,926	(34,645,771)	(34,056,317)
Total net position	\$ (28,927)	\$ (4,301,610)	\$ 14,909,421	\$ 13,301,698	\$ 14,880,494	\$ 9,000,088

Total current assets within the governmental activities were \$16.5 million and included cash & investments of \$14.2 million and receivables net of allowances of \$2.29 million. Governmental non-current receivables decreased \$505,393. This decrease represents the continued annual reduction of a long term receivable for School Building Assistance.

Total current liabilities within the governmental activities were \$3.7 million and included accounts payable of \$1.0 million, accrued interest of \$328,885, other liabilities of \$12,743, capital leases payable of \$12,743 and \$2.4 million of bonds and notes payable. Noncurrent liabilities within the governmental activities were \$74.7 million and included \$12.7 million in net pension liability, \$30.0 million in postemployment benefits liability, \$31.8 million of bonds and notes payable and \$13,505 in capital leases payable.

The Town's total net position includes a receivable of \$505,393 due from Massachusetts School Building Authority (MSBA) which is a reimbursement program for school debt.

Total current assets within the business-type activities were \$6.7 million and included cash & investments of \$5.69 million and receivables of \$1.01 million.

Current liabilities within the business-type activities were \$1.6 million and included \$933,020 of bonds and notes payable. Noncurrent liabilities within the business-type activities were \$11.2 million and included \$9.8 million of general obligation bonds payable, \$0.6 million in net pension liability and \$0.7 million in postemployment benefits liability.

The level of net investment in capital assets for FY2021 increased by \$7.2 million as compared to FY2020. Governmental activities' capital assets (net of related debt) increased by \$1.8 million while business type activities' capital assets increased by \$5.4 million.

Changes in Net Position

The Net Position for the Town of Plainville increased by \$5.6 million. Presented below are the components that contributed to the change in net position, along with comparative data for the previous fiscal year:

Condensed Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenues						
<i>Program Revenues:</i>						
Charges for services	\$ 5,322,767	\$ 2,572,448	\$ 4,330,661	\$ 3,749,243	\$ 9,653,428	\$ 6,321,691
Operating grants and contributions	8,160,892	6,828,067	152,120	169,661	8,313,012	6,997,728
Capital grants and contributions	148,694	866,192	778,430	26,309	927,124	892,501
<i>General Revenues:</i>						
Real Estate and personal property taxes	24,771,564	23,807,496	-	-	24,771,564	23,807,496
Tax Liens	-	114,035	-	-	-	114,035
Motor vehicle excise taxes	1,327,068	1,542,001	-	-	1,327,068	1,542,001
Meals and Hotel/Motel Taxes	266,074	339,594	-	-	266,074	339,594
Penalties and Interest on Taxes	103,842	90,167	-	-	103,842	90,167
Payments in Lieu of Taxes	50,659	50,544	-	-	50,659	50,544
Nonrestricted grants and contributions	2,982,485	3,783,128	-	-	2,982,485	3,783,128
Premium on Notes Payable	636,549	18,541	-	-	636,549	18,541
Unrestricted investment income	588,029	257,116	-	-	588,029	257,116
Other revenues	227,623	6,750	-	-	227,623	6,750
Total Revenues	44,586,246	40,276,079	5,261,211	3,945,213	49,847,457	44,221,292
Expenses:						
General Government	3,000,645	2,986,993	-	-	3,000,645	2,986,993
Public Safety	6,069,771	6,607,789	-	-	6,069,771	6,607,789
Education	18,534,503	19,194,365	-	-	18,534,503	19,194,365
Public Works	1,340,393	1,359,094	-	-	1,340,393	1,359,094
Human Services	558,144	499,071	-	-	558,144	499,071
Culture and Recreation	429,656	528,065	-	-	429,656	528,065
Employee Benefits	8,718,907	9,679,750	-	-	8,718,907	9,679,750
State and County Assessments	399,565	446,629	-	-	399,565	446,629
Interest	1,038,434	1,088,611	-	-	1,038,434	1,088,611
Sanitation	-	-	589,151	578,204	589,151	578,204
Sewer	-	-	1,605,823	1,567,091	1,605,823	1,567,091
Water	-	-	1,977,907	1,827,984	1,977,907	1,827,984
Total Expenses	40,090,018	42,390,367	4,172,881	3,973,279	44,262,899	46,363,646
Excess (deficiency) of revenues over expenditures	4,496,228	(2,114,288)	1,088,330	(28,066)	5,584,558	(2,142,354)
Transfers	(519,393)	(118,355)	519,393	118,355	-	-
Change in Net Position	3,976,835	(2,232,643)	1,607,723	90,289	5,584,558	(2,142,354)
Prior Period Adjustment - Agency	295,848	-	-	-	295,848	-
Net Position - beginning	(4,301,610)	(2,068,967)	13,301,698	13,211,409	9,000,088	11,142,442
Net Position - ending	\$ (28,927)	\$ (4,301,610)	\$ 14,909,421	\$ 13,301,698	\$ 14,880,494	\$ 9,000,088

Governmental Activities: Charges for services increased 107% as compared to FY2020, while capital grants and contributions decreased by \$717,498. Operating grants and contributions increased by 20%. Property taxes represent 55.6% of the Town's governmental activities revenues, and FY2021 shows an increase of \$964,068 over FY2020.

Total expenses decreased by \$2.3 million or 5% over FY2020 due to the uncertainties of the global pandemic. Employee Benefits saw the largest decrease of \$0.9 million, while Education and Public Safety decreased \$0.6 million and \$0.5 million respectively for governmental activity of the Town. Education remains the largest governmental activity of the Town at \$18.5 million, while employee benefits rank second at \$8.7 million.

Business-Type Activities: Revenues from the three business-type activities increased \$1.3 million over FY2020. Total expenditures increased by \$199,602 for FY2021.

Analysis of Governmental Fund Statements

Governmental Funds

The focus of the Town of Plainville's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending in the subsequent fiscal year.

The general fund is the chief operating fund of the Town of Plainville. The Massachusetts Department of Revenue reviews the unaudited balance sheet at the end of each fiscal year. It certifies what part of undesignated, unreserved fund balance is available for spending at the government's (Town Meeting) discretion during the subsequent fiscal year. At the end of the fiscal year the Town's general fund unassigned fund balance was \$5,887,595 while the total general fund balance was \$11,361,997. The Massachusetts Department of Revenue certified \$4,184,212 available for spending as of July 1, 2021.

Other Governmental Funds

The Stabilization Fund was built over many years from annual surpluses and capital project bank interest. The set aside of capital project interest was intended to be used to temporarily reduce the impact to taxpayers of expected peaks in debt burden. A special revenue account called the Landfill Closure Fund had been built up over many years when the Town was receiving revenue from an active landfill owned by a private company. The fund was intended to protect the taxpayers in the remote chance that the private company failed to fulfill their responsibility to maintain the site. At a Special Town Meeting, June 6, 2005, the Town voted to appropriate \$1,030,589 of the accumulated Closure Fund and establish the Landfill Stabilization Fund for the purpose of funding potential costs associated with the closure of the Laidlaw Landfill. At an Annual Town Meeting, June 4, 2012, the Town voted to appropriate \$625,892 remaining in the Closure Fund to the established Landfill Stabilization Fund. A Capital Stabilization Fund was created by virtue of a Home Rule Petition through the legislature under chapter 40 sub-section 5B of the Massachusetts General Law. Specific funds received from the Host Community Agreement with Plainridge Park Casino are set aside to support capital expenditures of the Town. The combined Stabilization Fund balances of \$5,844,273 (excludes the SPED Stabilization Fund \$120,000) are available to the Town as a source for short term borrowing. The original Stabilization Fund is available to be appropriated at Town Meeting to meet any needs of the Town. The Gaming Capital Stabilization Fund is appropriated every year at Town Meeting to support the Omnibus Budget for debt payments related to the Town Hall and Public Safety building construction.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$83,759,858 (net of accumulated depreciation) an increase of \$918,790 over FY2020 reflecting the completion of the Town Hall and Public Safety buildings. This investment includes land, buildings, improvements, machinery and equipment, vehicles, park facilities, streets, sidewalks, construction in progress and water and sewer systems.

Debt Administration

The Town holds a bond rating of Aa3 as assigned by Moody's Investor Service. In the fall of 2020 Moody's Investor Services reduced the Town's rating from Aa2 to Aa3, which is due to a reduction in reserves and future increasing debt obligations. The town's financial position is expected to remain satisfactory and return to balanced operations in the next year or two given a reduced reliance of reserves as a funding source. At the end of the fiscal year the Town had a total bonded debt outstanding of \$43,242,208, an increase of \$9.6 million over the prior fiscal year.

Economic Factors and next year's Budget

The Town of Plainville continued to have strong development growth during fiscal year 2021. On the residential front, construction and sales of the luxury single family homes in the 66 lot "Woods at Mirimichi" development are almost complete. There has been construction and sales in small new subdivision developments, as well as on several new road front lots, keeping stressors on public services to manageable levels. Home prices have continued to increase. The special permit for a 384-unit senior housing development has been issued by the Planning Board, but is currently in litigation between the land owner and developer. This project is located on an existing golf course, and will preserve over a 100 acres of open space. Once stated, the site is anticipated to provide a substantial tax benefit due to the anticipated lack of student population and the requirement that all roads be privately maintained. Project funded public infrastructure improvements proposed as part of the approval include water, sewer and sidewalk improvements, as well as construction of a portion of a rail trail near the site.

Commercial growth continues from the boom of the previous year. The Town's third 5± MW solar facility is being permitted off Berry Street, and taxes will be collected per an approved PILOT agreement. This project will also include the donation of a swim/tennis club to the local YMCA, which will enhance recreational opportunities for the community. The Commerce Industrial Park off South Street is built out, with the 416,290 sf. bio-manufacturing facility owned by Thermo-Fisher Scientific under construction. This building alone should provide hundreds of new high end jobs, in addition to substantial new tax revenue. A new 662,500 sf. Distribution facility is proposed at 27 Cross Street. Permits for the 120,300 sf retail plaza at 10 Madison Street have been kept current, but construction has not yet started. The Town's first recreational marijuana dispensary is completed. The Host Community Agreement sets forth the expected tax revenues based on sales. Smaller commercial sites have received permits, numerous other commercial sites are being actively marketed, and are expected to result in additional growth moving forward. Continued strategic zoning changes and a streamlined permit process have encouraged appropriate commercial development that is expected to continue.

The principal roads serving Plainville are State Routes 1, 1A, 106, 152 and Interstate 495. Local bus service is provided by the regional transportation authority GATRA. The neighboring town of Mansfield operates a municipal airport and hosts a commuter rail station. Plainville is approximately one hour away from Logan Airport in Boston and one hour from T.F. Green Airport in Providence, Rhode Island. Electricity is supplied by National Grid and Liberty Utilities services the Town's gas needs. Most commercial areas are serviced by municipal water and sewer.

Construction of the Town Hall and Public Safety complex is complete. This project is bonded and paid for with funds set aside in the Plainridge capital stabilization fund, and did not need a tax override.

Plainville has updated its Open Space and Recreation Plan with the assistance of the Southeast Regional Planning and Development District staff, and intends to continue working to preserve its natural resources, in addition to encouraging commercial growth, thus helping make the town one of the more livable and affordable communities in the commonwealth. On the east side, new commercial riding stables have been constructed, indicating that the many facilities offering equine services in the area are probably thriving, due partly to the success of Plainridge in upping its prize monies for harness racing.

Management of the Town is cautiously optimistic and eagerly looks toward a positive future. The Town of Plainville developed a balanced budget for fiscal year 2022 and continues to be committed to strong budgetary controls.

Request for Information

This financial report is designed to provide a general overview of the Town of Plainville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Town Accountant, Town Hall, 190 South Street, Plainville, MA 02762.

TOWN OF PLAINVILLE, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2021

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
			TOTAL	
<u>ASSETS</u>				
CURRENT:				
CASH AND SHORT-TERM INVESTMENTS	\$ 12,443,023	\$ 5,699,254	\$ 18,142,277	
INVESTMENTS	1,814,424		-	1,814,424
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:				
REAL ESTATE AND PERSONAL PROPERTY TAXES	624,659		-	624,659
TAX LIENS	541,329		-	541,329
MOTOR VEHICLE EXCISE TAXES	99,566		-	99,566
USER FEES	183,535		1,016,218	1,199,753
DEPARTMENTAL AND OTHER	4,482		-	4,482
INTERGOVERNMENTAL	838,377		1,053	839,430
NONCURRENT:				
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:				
INTERGOVERNMENTAL	505,393		-	505,393
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	62,589,555		21,170,303	83,759,858
TOTAL ASSETS	<u>79,644,343</u>		<u>27,886,828</u>	<u>107,531,171</u>
DEFERRED OUTFLOWS OF RESOURCES				
RELATED TO PENSIONS	1,999,165		105,169	2,104,334
RELATED TO OPEB	6,150,762		154,628	6,305,390
TOTAL DEFERRED OUTFLOWS OF RESOURCED	<u>8,149,927</u>		<u>259,797</u>	<u>8,409,724</u>
<u>LIABILITIES</u>				
CURRENT:				
ACCOUNTS PAYABLE	1,002,783		294,196	1,296,979
OTHER LIABILITIES	12,743		239,700	252,443
ACCRUED INTEREST	328,885		189,316	518,201
CAPITAL LEASES PAYABLE	12,743		-	12,743
BONDS AND NOTES PAYABLE	2,431,488		933,020	3,364,508
NONCURRENT:				
CAPITAL LEASES PAYABLE	13,505		-	13,505
BONDS AND NOTES PAYABLE	31,841,410		9,850,033	41,691,443
NET PENSION LIABILITY	12,791,110		672,891	13,464,001
POSTEMPLOYMENT BENEFITS	30,085,973		756,352	30,842,325
TOTAL LIABILITIES	<u>78,520,640</u>		<u>12,935,508</u>	<u>91,456,148</u>
DEFERRED INFLOWS OF RESOURCES				
RELATED TO PENSIONS	2,469,650		129,919	2,599,569
RELATED TO OPEB	6,832,907		171,777	7,004,684
TOTAL DEFERRED INFLOWS OF RESOURCED	<u>9,302,557</u>		<u>301,696</u>	<u>9,604,253</u>
<u>NET POSITION</u>				
NET INVESTMENT IN CAPITAL ASSETS	29,062,270		13,398,163	42,460,433
RESTRICTED FOR:				
OTHER PURPOSES	7,065,832		-	7,065,832
UNRESTRICTED	(36,157,029)		1,511,258	(34,645,771)
TOTAL NET POSITION	<u>\$ (28,927)</u>		<u>\$ 14,909,421</u>	<u>\$ 14,880,494</u>

See accompanying notes to the basic financial statements

TOWN OF PLAINVILLE, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES				NET (EXPENSE) REVENUE
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS		
PRIMARY GOVERNMENT:						
GOVERNMENTAL ACTIVITIES:						
GENERAL GOVERNMENT	\$ 3,000,645	\$ 905,973	\$ 717,308	\$ -	\$ (1,377,364)	
PUBLIC SAFETY	6,069,771	4,062,386	412,166	-	(1,595,219)	
EDUCATION	18,534,503	194,779	4,167,663	-	(14,172,061)	
PUBLIC WORKS	1,340,393	4,550	8,807	148,694	(1,178,342)	
HUMAN SERVICES	558,144	86,957	119,959	-	(351,228)	
CULTURE & RECREATION	429,656	68,122	56,875	-	(304,659)	
EMPLOYEE BENEFITS	8,718,907	-	2,678,114	-	(6,040,793)	
STATE & COUNTY ASSESSMENTS	399,565	-	-	-	(399,565)	
INTEREST	1,038,434	-	-	-	(1,038,434)	
TOTAL GOVERNMENTAL ACTIVITIES	40,090,018	5,322,767	8,160,892	148,694	(26,457,665)	
BUSINESS-TYPE ACTIVITIES:						
WATER	1,977,907	2,231,012	151,084	643,856	1,048,045	
SEWER	1,605,823	1,519,646	1,036	134,574	49,433	
SANITATION	589,151	580,003	-	-	(9,148)	
TOTAL BUSINESS-TYPE ACTIVITIES	4,172,881	4,330,661	152,120	778,430	1,088,330	
TOTAL PRIMARY GOVERNMENT	\$ 44,262,899	\$ 9,653,428	\$ 8,313,012	\$ 927,124	\$ (25,369,335)	

See accompanying notes to the basic financial statements

(continued)

TOWN OF PLAINVILLE, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2021

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
CHANGES IN NET POSITION:			
NET (EXPENSE) REVENUE FROM PREVIOUS PAGE	\$ (26,457,665)	\$ 1,088,330	\$ (25,369,335)
GENERAL REVENUES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES,			
NET OF TAX REFUNDS PAYABLE	24,771,564	-	24,771,564
MOTOR VEHICLE EXCISE TAXES	1,327,068	-	1,327,068
MEALS & HOTEL TAXES	266,074	-	266,074
PENALTIES AND INTEREST ON TAXES	103,842	-	103,842
PAYMENTS IN LIEU OF TAXES	50,659	-	50,659
GRANTS AND CONTRIBUTIONS NOT RESTRICTED			
TO SPECIFIC PROGRAMS	2,982,485	-	2,982,485
PREMIUM ON NOTES PAYABLE	636,549	-	636,549
UNRESTRICTED INVESTMENT INCOME	588,029	-	588,029
MISCELLANEOUS	227,623	-	227,623
TRANSFERS, NET	<u>(519,393)</u>	519,393	-
TOTAL GENERAL REVENUES AND TRANSFERS	<u>30,434,500</u>	<u>519,393</u>	<u>30,953,893</u>
CHANGE IN NET POSITION	3,976,835	1,607,723	5,584,558
NET POSITION:			
BEGINNING OF YEAR	<u>(4,005,762)</u>	<u>13,301,698</u>	<u>9,295,936</u>
END OF YEAR	<u>\$ (28,927)</u>	<u>\$ 14,909,421</u>	<u>\$ 14,880,494</u>

See accompanying notes to the basic financial statements

(concluded)

TOWN OF PLAINVILLE, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

ASSETS	GENERAL	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
CASH AND SHORT-TERM INVESTMENTS	\$ 9,930,692	\$ 2,512,331	\$ 12,443,023
INVESTMENTS	1,814,424	-	1,814,424
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES	624,659	-	624,659
TAX LIENS	541,329	-	541,329
MOTOR VEHICLE EXCISE TAXES	99,566	-	99,566
USER FEES	183,535	-	183,535
DEPARTMENTAL AND OTHER	-	4,482	4,482
INTERGOVERNMENTAL	1,180,411	163,359	1,343,770
TOTAL ASSETS	\$ 14,374,616	\$ 2,680,172	\$ 17,054,788
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
ACCOUNTS PAYABLE	\$ 690,384	\$ 312,399	\$ 1,002,783
OTHER LIABILITIES	12,743	-	12,743
TOTAL LIABILITIES	703,127	312,399	1,015,526
DEFERRED INFLOWS OF RESOURCES:			
UNAVAILABLE REVENUE	2,309,492	4,482	2,313,974
FUND BALANCES:			
RESTRICTED	-	2,697,495	2,697,495
COMMITTED	123,668	-	123,668
ASSIGNED	5,350,734	-	5,350,734
UNASSIGNED	5,887,595	(334,204)	5,553,391
TOTAL FUND BALANCES	11,361,997	2,363,291	13,725,288
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,374,616	\$ 2,680,172	\$ 17,054,788

See accompanying notes to the basic financial statements

**TOWN OF PLAINVILLE, MASSACHUSETTS
GOVERNMENTAL FUNDS**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 24,924,990	\$ -	\$ 24,924,990
MOTOR VEHICLE EXCISE TAXES	1,328,753	-	1,328,753
PENALTIES AND INTEREST ON TAXES	103,842	-	103,842
INTERGOVERNMENTAL	7,297,906	2,343,847	9,641,753
CHARGES FOR SERVICES	3,276,699	1,227,341	4,504,040
INVESTMENT INCOME	139,958	1,337	141,295
CONTRIBUTIONS & DONATIONS	-	68,717	68,717
DEPARTMENTAL AND OTHER	3,657,091	195,739	3,852,830
 TOTAL REVENUES	 40,729,239	 3,836,981	 44,566,220
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	1,686,025	314,740	2,000,765
PUBLIC SAFETY	4,710,055	1,304,051	6,014,106
EDUCATION	16,318,750	1,843,407	18,162,157
PUBLIC WORKS	874,484	405,622	1,280,106
HUMAN SERVICES	453,505	101,431	554,936
CULTURE & RECREATION	281,451	93,629	375,080
EMPLOYEE BENEFITS	7,672,865	-	7,672,865
STATE & COUNTY ASSESSMENTS	399,565	-	399,565
DEBT SERVICE:			
PRINCIPAL	1,805,000	-	1,805,000
INTEREST	1,158,776	-	1,158,776
 TOTAL EXPENDITURES	 35,360,476	 4,062,880	 39,423,356
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 5,368,763	 (225,899)	 5,142,864
OTHER FINANCING SOURCES (USES)			
PROCEEDS FROM BONDS AND NOTES	-	4,374,155	4,374,155
PROCEEDS FROM BOND PREMIUM	-	636,549	636,549
OPERATING TRANSFERS IN	139,424	41,717	181,141
OPERATING TRANSFERS OUT	(603,769)	(96,765)	(700,534)
 TOTAL OTHER FINANCING SOURCES (USES)	 (464,345)	 4,955,656	 4,491,311
 NET CHANGE IN FUND BALANCES	 4,904,418	 4,729,757	 9,634,175
 FUND BALANCES AT BEGINNING OF YEAR	 6,457,579	 (2,366,466)	 4,091,113
 FUND BALANCES AT END OF YEAR	 \$ 11,361,997	 \$ 2,363,291	 \$ 13,725,288

See accompanying notes to the basic financial statements

TOWN OF PLAINVILLE, MASSACHUSETTS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

TOTAL GOVERNMENTAL FUND BALANCES	\$ 13,725,288
CAPITAL ASSETS (NET) USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS	62,589,555
ACCOUNTS RECEIVABLE ARE NOT AVAILABLE TO PAY FOR CURRENT-PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS	2,313,974
IN THE STATEMENT OF ACTIVITIES, INTEREST IS ACCRUED ON OUTSTANDING LONG-TERM DEBT, WHEREAS IN GOVERNMENTAL FUNDS INTEREST IS NOT REPORTED UNTIL DUE	(328,885)
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE ARE NOT REPORTED IN THE GOVERNMENTAL FUNDS	
BONDS AND NOTES PAYABLE	(32,459,155)
UNAMORTIZED BOND PREMIUM	(1,813,743)
OTHER POSTEMPLOYMENT BENEFITS (OPEB)	(30,085,973)
DEFERRED OUTFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	6,150,762
DEFERRED INFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	(6,832,907)
NET PENSION LIABILITY	(12,791,110)
DEFERRED OUTFLOWS OF RESOURCES - RELATED TO PENSIONS	1,999,165
DEFERRED INFLOWS OF RESOURCES - RELATED TO PENSIONS	(2,469,650)
CAPITAL LEASE PAYABLE	<u>(26,248)</u>
	<u>(78,328,859)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (28,927)</u>

See accompanying notes to the basic 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
FISCAL YEAR ENDED JUNE 30, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 9,634,175

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	757,710
DEPRECIATION EXPENSE	<u>(2,315,695)</u>
NET EFFECT OF REPORTING CAPITAL ASSETS	(1,557,985)

REVENUES IN THE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE CURRENT FINANCIAL RESOURCES ARE FULLY DEFERRED IN THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES. THEREFORE, THE RECOGNITION OF REVENUE FOR VARIOUS TYPES OF ACCOUNTS RECEIVABLE (I.E. REAL ESTATE AND PERSONAL PROPERTY, MOTOR VEHICLE EXCISE, ETC.) DIFFER BETWEEN THE TWO STATEMENTS. THIS AMOUNT REPRESENTS THE NET CHANGE IN DEFERRED REVENUE. (616,523)

THE ISSUANCE OF LONG-TERM DEBT (E.G., BONDS) 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 ASSETS. ALSO, GOVERNMENTAL FUNDS REPORT THE EFFECT OF ISSUANCE COSTS, PREMIUMS, DISCOUNTS, AND SIMILAR ITEMS WHEN DEBT IS FIRST ISSUED, WHEREAS THESE AMOUNTS ARE DEFERRED AND AMORTIZED IN THE STATEMENT OF ACTIVITIES.

PROCEEDS FROM BONDS AND NOTES	(4,374,155)
AMORTIZATION OF BOND PREMIUM	217,826
DEBT SERVICE PRINCIPAL PAYMENTS	1,805,000
CAPITAL LEASE PRINCIPAL PAYMENTS	<u>12,023</u>
NET EFFECT OF REPORTING LONG-TERM DEBT	(2,339,306)

SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES DO NOT REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS.

NET CHANGE IN DEFERRED OUTFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	1,608,490
NET CHANGE IN DEFERRED INFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	(4,755,369)
NET CHANGE IN OTHER POSTEMPLOYMENT BENEFITS	1,823,403
NET CHANGE IN DEFERRED OUTFLOWS OF RESOURCES - RELATED TO PENSIONS	(1,645,433)
NET CHANGE IN DEFERRED INFLOWS OF RESOURCES - RELATED TO PENSIONS	27,862
NET CHANGE IN NET PENSION LIABILITY	1,895,005
NET CHANGE IN ACCRUED INTEREST ON LONG-TERM DEBT	<u>(97,484)</u>
NET EFFECT OF RECORDING LONG-TERM LIABILITIES	(1,143,526)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,976,835

See accompanying notes to the basic financial statements

TOWN OF PLAINVILLE, MASSACHUSETTS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2021

	BUDGETED AMOUNTS		ACTUAL BUDGETARY AMOUNTS	VARIANCE OVER (UNDER)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES:				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 24,836,414	\$ 24,836,414	\$ 24,924,990	\$ 88,576
MOTOR VEHICLE EXCISE TAXES	1,365,000	1,365,000	1,328,753	(36,247)
PENALTIES & INTEREST ON TAXES	55,000	55,000	103,842	48,842
INTERGOVERNMENTAL	4,743,064	4,743,064	4,619,792	(123,272)
CHARGES FOR SERVICES	620,200	620,200	3,276,699	2,656,499
INVESTMENT INCOME	25,000	25,000	34,775	9,775
DEPARTMENTAL AND OTHER	1,070,960	1,070,960	1,792,983	722,023
TOTAL REVENUES	32,715,638	32,715,638	36,081,834	3,366,196
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	1,870,184	1,913,808	1,686,025	227,783
PUBLIC SAFETY	5,004,382	5,004,913	4,710,055	294,858
EDUCATION	16,550,930	16,550,930	16,318,750	232,180
PUBLIC WORKS	851,662	921,238	874,484	46,754
HUMAN SERVICES	525,601	525,600	453,505	72,095
CULTURE & RECREATION	296,250	296,250	281,451	14,799
EMPLOYEE BENEFITS	5,470,226	5,470,226	4,994,751	475,475
STATE & COUNTY ASSESSMENTS	277,266	277,266	399,565	(122,299)
DEBT SERVICE:				
PRINCIPAL	1,885,754	1,841,000	1,805,000	36,000
INTEREST	1,257,285	1,190,533	1,158,776	31,757
TOTAL EXPENDITURES	33,989,540	33,991,764	32,682,362	1,309,402
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,273,902)	(1,276,126)	3,399,472	4,675,598
OTHER FINANCING SOURCES (USES):				
OPERATING TRANSFERS IN	-	-	44,714	44,714
OPERATING TRANSFERS OUT	(601,052)	(601,052)	(603,769)	(2,717)
TOTAL OTHER FINANCING SOURCES (USES)	(601,052)	(601,052)	(559,055)	41,997
NET CHANGE IN FUND BALANCE	(1,874,954)	(1,877,178)	2,840,417	4,717,595
BUDGETARY FUND BALANCE, BEGINNING OF YEAR	2,557,308	2,557,308	2,557,308	-
BUDGETARY FUND BALANCE, END OF YEAR	\$ 682,354	\$ 680,130	\$ 5,397,725	\$ 4,717,595

See accompanying notes to the basic financial statements

**TOWN OF PLAINVILLE, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021**

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
ASSETS	WATER	SEWER	SANITATION	TOTAL	
CURRENT:					
CASH AND SHORT-TERM INVESTMENTS	\$ 3,833,363	\$ 1,317,882	\$ 548,009	\$ 5,699,254	
USER FEES	650,455	365,763	-	1,016,218	
INTERGOVERNMENTAL	1,053	-	-	1,053	
TOTAL CURRENT ASSETS	4,484,871	1,683,645	548,009	6,716,525	
NONCURRENT:					
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	15,628,364	5,541,939	-	21,170,303	
TOTAL ASSETS	20,113,235	7,225,584	548,009	27,886,828	
DEFERRED OUTFLOWS OF RESOURCES					
RELATED TO PENSIONS	61,271	36,771	7,127	105,169	
RELATED TO OPEB	65,526	67,522	21,580	154,628	
TOTAL DEFERRED OUTFLOWS OF RESOURCED	126,797	104,293	28,707	259,797	
LIABILITIES					
CURRENT:					
ACCOUNTS PAYABLE	162,631	87,782	43,783	294,196	
OTHER LIABILITIES	-	-	239,700	239,700	
ACCRUED INTEREST	147,713	41,603	-	189,316	
BONDS AND NOTES PAYABLE	673,765	259,255	-	933,020	
TOTAL CURRENT LIABILITIES	984,109	388,640	283,483	1,656,232	
NONCURRENT:					
BONDS AND NOTES PAYABLE	7,296,528	2,553,505	-	9,850,033	
POST EMPLOYMENT BENEFITS	320,514	330,280	105,558	756,352	
NET PENSION LIABILITY	392,023	235,267	45,601	672,891	
TOTAL NONCURRENT LIABILITIES	8,009,065	3,119,052	151,159	11,279,276	
TOTAL LIABILITIES	8,993,174	3,507,692	434,642	12,935,508	
DEFERRED INFLOWS OF RESOURCES					
RELATED TO PENSIONS	75,690	45,424	8,805	129,919	
RELATED TO OPEB	72,793	75,011	23,973	171,777	
TOTAL DEFERRED INFLOWS OF RESOURCED	148,483	120,435	32,778	301,696	
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	9,985,523	3,412,640	-	13,398,163	
UNRESTRICTED	1,112,852	289,110	109,296	1,511,258	
TOTAL NET POSITION	\$ 11,098,375	\$ 3,701,750	\$ 109,296	\$ 14,909,421	

See accompanying notes to the basic financial statements

TOWN OF PLAINVILLE, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FISCAL YEAR ENDED JUNE 30, 2021

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER	SEWER	SANITATION	TOTAL
<u>OPERATING REVENUES:</u>				
CHARGES FOR SERVICES	\$ 2,231,012	\$ 1,519,646	\$ 580,003	\$ 4,330,661
DEPARTMENTAL AND OTHER	147,524	-	-	147,524
TOTAL OPERATING REVENUES	2,378,536	1,519,646	580,003	4,478,185
<u>OPERATING EXPENSES:</u>				
GENERAL SERVICES	1,343,579	1,365,588	589,151	3,298,318
DEPRECIATION	398,260	173,288	-	571,548
TOTAL OPERATING EXPENSES	1,741,839	1,538,876	589,151	3,869,866
OPERATING INCOME (LOSS)	636,697	(19,230)	(9,148)	608,319
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
INTERGOVERNMENTAL	90,000	-	-	90,000
INVESTMENT INCOME	3,560	1,036	-	4,596
PROCEEDS FROM NOTE PREMIUM	553,856	134,574	-	688,430
INTEREST EXPENSE	(236,068)	(66,947)	-	(303,015)
TOTAL NON-OPERATING REVENUES (EXPENSES), NET	411,348	68,663	-	480,011
INCOME (LOSS) BEFORE OPERATING TRANSFERS	1,048,045	49,433	(9,148)	1,088,330
<u>OPERATING TRANSFERS:</u>				
OPERATING TRANSFERS IN	128,100	407,093	27,899	563,092
OPERATING TRANSFERS OUT	(25,421)	(18,278)	-	(43,699)
TOTAL OPERATING TRANSFERS	102,679	388,815	27,899	519,393
<u>CHANGE IN NET POSITION</u>				
NET POSITION AT BEGINNING OF YEAR	1,150,724	438,248	18,751	1,607,723
NET POSITION AT END OF YEAR	9,947,651	3,263,502	90,545	13,301,698
	\$ 11,098,375	\$ 3,701,750	\$ 109,296	\$ 14,909,421

See accompanying notes to the basic financial statements

TOWN OF PLAINVILLE, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 2021

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS				
	WATER	SEWER	SANITATION	TOTAL
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
RECEIPTS FROM CUSTOMERS AND USERS	\$ 2,279,223	\$ 1,523,952	\$ 582,418	\$ 4,385,593
PAYMENTS TO SUPPLIERS	(1,107,478)	(873,759)	(541,724)	(2,522,961)
PAYMENTS TO EMPLOYEES	(416,212)	(238,950)	(39,239)	(694,401)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>755,533</u>	<u>411,243</u>	<u>1,455</u>	<u>1,168,231</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
OPERATING TRANSFERS IN (OUT)	102,679	388,815	27,899	519,393
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
PROCEEDS FROM THE ISSUANCE OF BONDS AND NOTES	120,500	449,845	-	570,345
PROCEEDS FROM INTERGOVERNMENTAL GRANT	90,000	-	-	90,000
PROCEEDS FROM NOTE PREMIUM	553,856	134,574	-	688,430
PRINCIPAL PAYMENTS ON BONDS AND NOTES	(376,762)	(184,410)	-	(561,172)
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(3,446,828)	(179,116)	-	(3,625,944)
INTEREST EXPENSE	(99,019)	(41,778)	-	(140,797)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES:	<u>(3,158,253)</u>	<u>179,115</u>	<u>-</u>	<u>(2,979,138)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
INTEREST RECEIVED	3,560	1,036	-	4,596
NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	(2,296,481)	980,209	29,354	(1,286,918)
CASH AND SHORT-TERM INVESTMENTS - BEGINNING OF YEAR	6,129,844	337,673	518,655	6,986,172
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	<u>\$ 3,833,363</u>	<u>\$ 1,317,882</u>	<u>\$ 548,009</u>	<u>\$ 5,699,254</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>				
<u>TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
OPERATING INCOME (LOSS)	\$ 636,697	\$ (19,230)	\$ (9,148)	\$ 608,319
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS)				
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
DEPRECIATION	398,260	173,288	-	571,548
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	(99,313)	4,305	-	(95,008)
(INCREASE) DECREASE IN DEFERRED OUTFLOWS OF RESOURCES	56,655	(11,408)	(997)	44,250
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	(34,264)	87,782	(3,370)	50,148
INCREASE (DECREASE) IN OTHER LIABILITIES	-	-	2,415	2,415
INCREASE (DECREASE) IN DEFERRED INFLOWS OF RESOURCES	39,121	62,674	17,143	118,938
INCREASE (DECREASE) IN POST EMPLOYMENT BENEFITS	(183,545)	148,687	2,168	(32,690)
INCREASE (DECREASE) IN NET PENSION LIABILITY	(58,078)	(34,855)	(6,756)	(99,689)
TOTAL ADJUSTMENTS	<u>118,836</u>	<u>430,473</u>	<u>10,603</u>	<u>559,912</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 755,533</u>	<u>\$ 411,243</u>	<u>\$ 1,455</u>	<u>\$ 1,168,231</u>

See accompanying notes to the basic financial statements

TOWN OF PLAINVILLE, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	POSTEMPLOYMENT BENEFITS TRUST	PRIVATE PURPOSE TRUST FUNDS
<u>ASSETS</u>		
CASH AND SHORT-TERM INVESTMENTS	\$ -	\$ 7,092
INVESTMENTS	<u>556,618</u>	<u>-</u>
 TOTAL ASSETS	 <u>556,618</u>	 <u>7,092</u>
 <u>LIABILITIES</u>		
 <u>NET POSITION</u>		
RESTRICTED FOR:		
POSTEMPLOYMENT BENEFITS	556,618	-
INDIVIDUALS AND OTHER ORGANIZATIONS	-	7,092
 TOTAL	 <u>556,618</u>	 <u>7,092</u>

See accompanying notes to the basic financial statements

TOWN OF PLAINVILLE, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEAR ENDED JUNE 30, 2021

	POSTEMPLOYMENT BENEFITS TRUST	PRIVATE PURPOSE TRUST FUNDS
<u>ADDITIONS:</u>		
CONTRIBUTIONS:		
EMPLOYER CONTRIBUTIONS TO PAY FOR OPEB BENEFITS	\$ 966,905	\$ -
NET INVESTMENT INCOME (LOSS):		
INVESTMENT INCOME	<u>125,453</u>	<u>10</u>
TOTAL ADDITIONS	<u>1,092,358</u>	<u>10</u>
<u>DEDUCTIONS:</u>		
BENEFIT PAYMENTS	<u>966,905</u>	<u>-</u>
CHANGE IN NET POSITION	<u>125,453</u>	<u>10</u>
NET POSITION AT BEGINNING OF YEAR	<u>431,165</u>	<u>7,082</u>
NET POSITION AT END OF YEAR	<u><u>\$ 556,618</u></u>	<u><u>\$ 7,092</u></u>

See accompanying notes to the basic financial statements

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Plainville, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant Town accounting policies:

A. Reporting Entity

Primary Government

The Town is a municipal corporation that is governed by a three-member Select Board (the Board). The Board is responsible for appointing a Town Administrator whose responsibility is to manage the day to day operations. For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units, blended or discretely presented, for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations and discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. It has been determined that there are no component units (blended or discretely presented) for inclusion in the primary government's financial reporting entity.

Joint Ventures

Municipal joint ventures pool resources to share the costs, risks and rewards of providing services to their participants, the general public or others. The Town is a participant in the following joint ventures:

Name	Purpose	Address	Annual Assessment
King Philip Regional School District	To provide secondary education	P.O. Box 49 201 Franklin St. Wrentham, Ma 02093	\$ 6,616,884
Tri-County Regional Vocational-Technical High School	To provide vocational education	147 Pond Street Franklin, MA 02038	\$ 1,331,200

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

The King Philip Regional School District (the District) is governed by a nine (9) member school committee consisting of two (2) elected representative and one (1) representative appointed by the local school committee from the Town of Plainville. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has an approximately 26.60% equity interest in the joint venture.

The Tri-County Regional Vocational-Technical School District (the District) is governed by a fourteen (11) member school committee consisting of one (1) appointed representative from the Town of Plainville. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has an equity interest of approximately 9.86% in the joint venture.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

Major Fund Criteria

A fund is considered major if it is the primary operating fund of the Town or it meets the following criteria:

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

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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

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

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

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and the various enterprise funds. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt which is recognized when due, and the non-current portion of the other postemployment benefits (**OPEB**), net pension liability, and capital leases which are recognized when the obligation is expected to be liquidated with current expendable available resources.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Town considers property taxes as available if they are due and collected within 60 days after fiscal year-end. Licenses and permits, user charges, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received. Investment earnings are recorded as earned.

The Town reports the following major governmental funds:

- The *General fund* is the primary operating fund of the Town. It is used to account for all financial resources, except those that are required to be accounted for in another fund.
- The *Nonmajor Governmental funds* consist of other special revenue and capital projects funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements. The following describes the general use of these fund types:
 - The *Special Revenue fund* is used to account for the proceeds of specific revenue sources (other than capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.
 - The *Capital Projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise and trust funds).

Proprietary Fund Financial Statements

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

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

The following major proprietary funds are reported:

- The *Water Enterprise fund* is used to account for water activities.
- The *Sewer Enterprise fund* is used to account for sewer activities.
- The *Sanitation Enterprise fund* is used to account for the operations of the trash collection activities.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

Fiduciary Fund Financial Statements

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

The following fiduciary fund types are reported:

- The *Private-Purpose Trust fund* is used to account for trust arrangements, other than those properly reported in the nonmajor governmental funds, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *Postemployment Benefit Trust* is used to account for the assets held to fund future postemployment benefits of current and retired employees.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

E. Fair Value Measurements

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

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

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

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town’s financial instruments, see Note 3 – Fair Market Value of Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent 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. By law, all taxable property in the Commonwealth must be assessed at 100% of fair market value. Once levied, which is required to be at least 30 days prior to the due date, these taxes are recorded as receivables in the fiscal year of levy. 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 occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation statute known as “Proposition 2 ½” limits the amount of increase in property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½ % of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½ % of the prior year’s levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2 ½ can be overridden by a Town-wide referendum.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

Motor Vehicle Excise

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

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

Water and Sewer

User fees are levied (monthly and quarterly) based on residential and commercial meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer liens are processed annually and included as a lien on the property owner's tax bill. Water and sewer charges and related liens are recorded as receivables in the fiscal year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

User Fees

User Fees in the governmental activities consist of ambulance receivables and are recorded as receivables in the fiscal year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

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

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

G. Inventories

Government-Wide and Fund Financial Statements

Inventories of the governmental funds and the water, sewer and sanitation enterprise funds are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements, and therefore are not reported.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, vehicles, buildings and improvements, machinery and equipment, software, construction in progress, and infrastructure (e.g., water mains, sewer mains, roadways and similar items), are reported in the applicable governmental or business-type activities column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets if material.

All purchases and construction costs in excess of \$10,000 (\$25,000 land) are capitalized at the date of acquisition or construction, respectively, with expected useful lives of three years or greater.

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

Asset Class	Estimated Useful Life (in years)
Buildings and Improvements	40
Machinery and Equipment	3-20
Vehicles	3-15
Software	5-10
Infrastructure	50

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

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the fiscal year of purchase for the various funds.

I. Interfund Transfers

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

Government-Wide Financial Statements

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

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

Fund Financial Statements

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

J. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Governmental Funds Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have been recorded in the governmental fund financial statements but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

K. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position is classified into three components:

- a. *Net investment in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

Net position has been “restricted” for the following:

- *Other specific purposes* represents restrictions placed on assets from outside parties.
- c. *Unrestricted net position* – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

Fund Financial Statements (Fund Balances)

The Town uses the following criteria for fund balance classification:

- For *restricted* fund balance: when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- For *committed* fund balance: (1) the government’s highest level of decision-making authority and (2) the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment.
- For *assigned* fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which the authorization is given.
- For *unassigned* fund balance: is the residual classification for the general fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Town uses the following criteria for fund balance policies and procedures:

- When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the unrestricted amount will be considered to have been spent.
- When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the least restricted amount will be considered to have been spent.

L Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

Governmental Fund Financial Statements

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

M. Investment Income

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

N. Compensated Absences

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay. The total amount of sick and vacation costs to be paid in future years is not material to the basic financial statements and has not been recorded on the basic financial statements.

O. Pensions

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

P. Post-Retirement Benefits

Government-Wide and Fund Financial Statements

In addition to providing pension benefits, health and life insurance coverage is provided for retired employees and their survivors in accordance with MGL Chapter 32B of Massachusetts General Laws, under various contributory plans. The cost of providing health and life insurance is recognized by recording the employer's 50%, 75%, and 76.1% share of insurance premiums, depending on the plan involved, in the general fund in the fiscal year paid. All benefits are provided through third-party insurance carriers and health maintenance organizations that administer, assume, and pay all claims.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

Q. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could vary from estimates that were used.

R. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Basis of Accounting

Pursuant to Chapter 44, Section 32 of the Massachusetts General Laws, the Town adopts an annual budget for the general fund. The budgets for all departments and operations of the Town, except that of the public schools, are prepared under the direction of the Town Administrator. The School Department budget is prepared under the direction of the School Committee. The level of expenditures may not legally exceed appropriations for each department or undertaking in the following categories: (1) salaries and wages; (2) ordinary maintenance; (3) capital outlays; and (4) out-of-state travel.

The majority of appropriations are non-continuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year. These carry forwards are included as part of the subsequent fiscal year's original budget.

Original and supplemental appropriations are enacted upon by a Town Meeting vote. Management may not amend the budget without seeking the approval of the governing body. The Town's Finance Committee can legally transfer funds from its reserve fund to other appropriations within the budget without seeking Town Meeting approvals. The original fiscal year 2021 approved budget authorized \$33,780,290 in current year appropriations and other amounts to be raised and \$209,250 in encumbrances and appropriations carried over from previous fiscal years. Supplemental appropriations of \$2,224 were approved at one Town meeting during 2021.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

The Town Accountant has the responsibility to ensure that budgetary controls are maintained and monitored through the accounting system.

B. Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2021, is presented below:

Net change in fund balance - budgetary basis	\$ 2,840,417
Basis of accounting differences:	
Net Stabilization fund activity	2,064,001
Increase in revenue for on-behalf payments - MTRS	2,678,114
Increase in expenditures for on-behalf payments - MTRS	<u>(2,678,114)</u>
Net change in fund balance - GAAP basis	<u>\$ 4,904,418</u>

C. Deficit Fund Balances

Several individual fund deficits exist within the special revenue funds. These individual deficit will be eliminated through subsequent fiscal year budget transfers, grants, and/or proceeds of long-term debt during fiscal year 2022.

NOTE 3 – DEPOSITS AND INVESTMENTS

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels unless collateralized by the financial institutions involved.

Deposits

• *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of bank failure, the Town's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the deposits "in a bank or trust company, or banking company to an amount not exceeding sixty percent (60%) of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The Town does not have a formal deposit policy for custodial credit risk. The Town carries deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC) and the Depositor's Insurance Fund (DIF). The Town also carries deposits that are uninsured, uncollateralized or collateral held by the pledging banks trust department not in the Towns name.

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The following table illustrates how much of the Town's bank deposits are insured and how much of the Town's bank deposits are uninsured, uncollateralized, or held by the pledging bank's trust department not in the Town's name as of June 30, 2021:

Total bank balances	<u><u>\$ 19,753,185</u></u>
Bank balances covered by deposit insurance	
Federal Deposit Insurance Corporation (FDIC)	2,029,143
Depositors Insurance Fund (DIF)	<u>9,113,430</u>
Total bank balances covered by deposit insurance	<u><u>11,142,573</u></u>
Balances subject to custodial credit risk	
Bank balances collateralized with securities held by pledging financial institution's department or agent but not in the Town's name	5,331,444
Bank balances uninsured & uncollateralized	<u>3,279,168</u>
Total bank balances subject to custodial credit risk	<u><u>8,610,612</u></u>
Total bank balances	<u><u>\$ 19,753,185</u></u>

Investments

Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreement guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase, and units in the Massachusetts Municipal Depository Trust (MMDT). The Treasurer of the Commonwealth of Massachusetts oversees the financial management of the MMDT, a local investment pool for cities, towns, and other state and local agencies within the Commonwealth. The Town's fair value of its investment in MMDT represents their value of the pool's shares. The Town's Trust Funds have expanded investment powers including the ability to invest in equity securities, corporate bonds, annuities and other specified investments.

TOWN OF PLAINVILLE, MASSACHUSETTS
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The composition of the Town's bank recorded deposits and investments fluctuates depending primarily on the timing of property tax receipts, proceeds from borrowings, collections of state and federal aid, and capital outlays throughout the year.

a) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Law Chapter 44, Section 55, limits the Town's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

Presented below is the actual rating as of year end for each investment type of the Town.

Investment type	Fair value	Minimum Legal Rating	Rating as of Year End						
			Aaa	Aa3	A2	A3	Baa1	Baa2	Unrated
U S Treasury & Agency									
Securities	\$ 756,898	N/A	\$ 653,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,415
Corporate Bonds	285,519	N/A	-	45,714	31,365	54,021	123,358	31,061	-
Common Stock	860,469	N/A	-	-	-	-	-	-	860,469
Fixed Income Mutual Fund	440,562	N/A	-	-	-	-	-	-	440,562
Money Market Mutual Fund	27,594	N/A	-	-	-	-	-	-	27,594
Total Investments	<u>\$ 2,371,042</u>		<u>\$ 653,483</u>	<u>\$ 45,714</u>	<u>\$ 31,365</u>	<u>\$ 54,021</u>	<u>\$ 123,358</u>	<u>\$ 31,061</u>	<u>\$ 1,432,040</u>

b) Custodial Credit Risk

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in possession of an outside party. The investments in U.S. Treasury and Agency securities, common stock and corporate bonds are not exposed to custodial credit risk because the related securities are registered in the name of Town. The mutual funds investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The Town does not have an investment policy for custodial credit risk.

c) Interest Rate Risk

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

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Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is as follows:

Investment type	Fair value	Investment maturities (in years)			
		Less than 1	1-5	6-10	11+
<i>Debt Related Securities:</i>					
U.S. Treasury & Agency Securities	\$ 756,898	\$ 128,757	\$ 470,440	\$ 157,701	\$ -
Corporate Bonds	285,519	45,714	166,910	72,895	-
Fixed Income Mutual Fund	<u>440,562</u>	<u>421,128</u>	-	-	<u>19,434</u>
Total Debt Related Securities	<u>1,482,979</u>	<u>595,599</u>	<u>637,350</u>	<u>230,596</u>	<u>19,434</u>
<i>Other Investments:</i>					
Common Stock	860,469	860,469	-	-	-
Money Market Mutual Fund	<u>27,594</u>	<u>27,594</u>	-	-	-
Total Other Investments	<u>888,063</u>	<u>888,063</u>	-	-	-
Total Investments	<u>\$ 2,371,042</u>	<u>\$ 1,483,662</u>	<u>\$ 637,350</u>	<u>\$ 230,596</u>	<u>\$ 19,434</u>

d) Concentration of Credit Risk

The Town places no limit on the amount the government may invest in any one issuer. The Town does not have more than 5% of the Town's investments in any one security.

Fair Market Value of Investments

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

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

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The Town has the following recurring fair value measurement as of June 30, 2021.

Investment Type	Fair Value Measurement as of 6/30/2021	Fair Value Measurements Using		
		Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
U.S. Treasuries and Securities	\$ 756,898	\$ 756,898	\$ -	\$ -
Corporate Bonds	285,519	-	285,519	-
Fixed Income Mutual Funds	440,562	-	440,562	-
Total debt securities	1,482,979	756,898	726,081	-
Other Investments				
Common Stock	860,469	860,469	-	-
Money Market Mutual Funds	27,594	27,594	-	-
Total other investments	888,063	888,063	-	-
Total investments measured at fair value	2,371,042	\$ 1,644,961	\$ 726,081	\$ -
Investments measured at amortized cost				
Massachusetts Municipal Depository Trust - (MMDT)	1,216,034			
Total Investments	\$ 3,587,076			

U.S. Treasury and Securities, Common Stock, and Money Market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds and fixed income mutual funds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

Massachusetts Municipal Depository Trust (MMDT) investments are valued at amortized cost. Under the amortized cost method an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

TOWN OF PLAINVILLE, MASSACHUSETTS
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JUNE 30, 2021

NOTE 4 – RECEIVABLES

The receivables at June 30, 2021 for the Town's individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Receivables:	Gross Amount	Allowance for Uncollectibles	Net Amount
Real estate and personal property taxes	\$ 754,359	\$ (129,700)	\$ 624,659
Tax liens	541,329	-	541,329
Motor vehicle excise taxes	180,366	(80,800)	99,566
User fees	252,732	(69,197)	183,535
Departmental and other	4,482	-	4,482
Intergovernmental	<u>1,343,770</u>	<u>-</u>	<u>1,343,770</u>
 Total	 <u>\$ 3,077,038</u>	 <u>\$ (279,697)</u>	 <u>\$ 2,797,341</u>

The receivables at June 30, 2021, for the enterprise funds consist of the following:

Receivables:	Gross Amount	Allowance for Uncollectibles	Net Amount
<i>Water</i>			
User fees	\$ 650,455	\$ -	\$ 650,455
Intergovernmental	1,053	-	1,053
<i>Sewer</i>			
User fees	<u>365,763</u>	<u>-</u>	<u>365,763</u>
 Total	 <u>\$ 1,017,271</u>	<u>\$ -</u>	<u>\$ 1,017,271</u>

TOWN OF PLAINVILLE, MASSACHUSETTS
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Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with revenues that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

Deferred Inflows of Resources Analysis

<u>Deferred Inflows:</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Deferred Property Taxes	\$ 474,276	\$ -	\$ 474,276
Deferred Other Revenue	824,430	4,482	828,912
Deferred Intergovernmental Revenue	1,010,786	-	1,010,786
 Total	<u>\$ 2,309,492</u>	<u>\$ 4,482</u>	<u>\$ 2,313,974</u>

TOWN OF PLAINVILLE, MASSACHUSETTS
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JUNE 30, 2021

NOTE 5 – CAPITAL ASSETS

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

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 3,842,155	\$ -	\$ -	\$ 3,842,155
Construction in progress	847,940	(64,176)	(195,594)	588,170
Total capital assets not being depreciated	<u>4,690,095</u>	<u>(64,176)</u>	<u>(195,594)</u>	<u>4,430,325</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	60,655,995	206,930	54,000	60,916,925
Machinery and equipment	3,782,256	167,984	-	3,950,240
Vehicles	5,887,968	124,728	(32,708)	5,979,988
Software	215,709	-	-	215,709
Infrastructure	<u>14,896,597</u>	<u>354,952</u>	<u>141,594</u>	<u>15,393,143</u>
Total capital assets being depreciated	<u>85,438,525</u>	<u>854,594</u>	<u>162,886</u>	<u>86,456,005</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(13,705,765)	(1,536,749)	-	(15,242,514)
Machinery and equipment	(3,084,928)	(160,145)	-	(3,245,073)
Vehicles	(3,402,874)	(319,515)	32,708	(3,689,681)
Software	(165,713)	(12,499)	-	(178,212)
Infrastructure	<u>(5,621,800)</u>	<u>(319,495)</u>	<u>-</u>	<u>(5,941,295)</u>
Total accumulated depreciation	<u>(25,981,080)</u>	<u>(2,348,403)</u>	<u>32,708</u>	<u>(28,296,775)</u>
Total capital assets being depreciated, net	<u>59,457,445</u>	<u>(1,493,809)</u>	<u>195,594</u>	<u>58,159,230</u>
Total governmental activities capital assets, net	<u>\$ 64,147,540</u>	<u>\$ (1,557,985)</u>	<u>\$ -</u>	<u>\$ 62,589,555</u>

TOWN OF PLAINVILLE, MASSACHUSETTS
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Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 965,000	\$ -	\$ -	\$ 965,000
Construction in progress	<u>1,898,599</u>	3,001,385	-	4,899,984
Total capital assets not being depreciated	<u>2,863,599</u>	3,001,385	-	5,864,984
<i>Capital assets being depreciated:</i>				
Buildings and improvements	4,434,844	-	-	4,434,844
Software	339,000	-	-	339,000
Vehicles	138,147	46,938	-	185,085
Infrastructure	<u>18,162,518</u>	-	-	18,162,518
Total capital assets being depreciated	<u>23,074,509</u>	46,938	-	23,121,447
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(1,964,656)	(102,243)	-	(2,066,899)
Software	(282,750)	(18,750)	-	(301,500)
Vehicles	(113,246)	(27,878)	-	(141,124)
Infrastructure	<u>(4,883,928)</u>	(422,677)	-	(5,306,605)
Total accumulated depreciation	<u>(7,244,580)</u>	(571,548)	-	(7,816,128)
Total capital assets being depreciated, net	<u>15,829,929</u>	(524,610)	-	15,305,319
Total business-type activities capital assets, net	<u>\$ 18,693,528</u>	\$ 2,476,775	\$ -	\$ 21,170,303

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 900,631
Public safety	341,840
Education	615,909
Public works	415,239
Human Services	20,208
Culture and recreation	<u>54,576</u>
Total depreciation expense - governmental activities	<u>\$ 2,348,403</u>
Business-Type Activities:	
Water	\$ 398,260
Sewer	<u>173,288</u>
Total depreciation expense - business-type activities	<u>\$ 571,548</u>

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 6 – CAPITAL LEASES

The Town has entered into lease a agreement as lessee for financing the acquisition of a 2020 Dodge Durango. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

	<u>Governmental</u> <u>Activities</u>
Assets:	
Vehicle	\$ 52,584
Less: Accumulated depreciation	<u>(21,034)</u>
	<u><u>\$ 31,550</u></u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2021, are as follows:

<u>Year Ending June 30</u>	<u>Governmental</u> <u>Activities</u>
2022	\$ 14,312
2023	<u>14,313</u>
Total : Minimum lease payments	28,625
Less : Amounts representing interest	<u>(2,377)</u>
Present Value of minimum lease payments	<u><u>\$ 26,248</u></u>

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2021, are summarized as follows:

Operating Transfers Out:	Operating Transfers In:					Total
	General Fund	Sanitation Enterprise Fund	Sewer Enterprise Fund	Water Enterprise Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 27,899	\$ 407,093	\$ 127,060	\$ 39,000	\$ 601,052 (1)
General Fund	-	-	-	-	2,717	2,717 (2)
Water Enterprise Fund	25,421	-	-	-	-	25,421 (2)
Sewer Enterprise Fund	17,238	-	-	1,040	-	18,278 (2)
Nonmajor Governmental Fund	96,765	-	-	-	-	96,765 (2)
Total	<u>\$ 139,424</u>	<u>\$ 27,899</u>	<u>\$ 407,093</u>	<u>\$ 128,100</u>	<u>\$ 41,717</u>	<u>\$ 744,233</u>

(1) Represents budgeted transfers to the enterprise funds

(2) Represents Other Transfers

NOTE 8 – SHORT-TERM FINANCING

Under state law, and with the appropriate authorization, the Town is authorized to borrow funds on a temporary basis as follows:

- To fund current operations prior to the collection of revenues by issuing revenue anticipation notes (RANS).
- To fund grants prior to reimbursement by issuing grant anticipation notes (GANS).
- To fund Capital project costs incurred prior to selling permanent debt by issuing bond anticipation notes (BANS).
- To fund current project costs and other approved expenditures incurred, that are anticipated to be reimbursed by the Commonwealth, through the issuance of State Aid anticipation notes (SAANS).

TOWN OF PLAINVILLE, MASSACHUSETTS
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Short-term loans are general obligations of the Town and maturity dates are governed by statute. Interest expenditures/expenses for short-term borrowings are accounted for in the general and the water and sewer enterprise funds.

The following is a summary of changes in short-term debt for the year ended June 30, 2021:

Type	Purpose	Rate (%)	Due Date	Balance		Retired/ Redeemed	Balance at June 30, 2021
				at June 30, 2020	Renewed/ Issued		
<u>Governmental Funds</u>							
BAN	Capital Project	Var	11/20/2020	\$ 5,005,155	\$ -	\$ (5,005,155)	\$ -
<u>Enterprise Funds</u>							
BAN	Water Projects and Equipment	Var	11/20/2020	\$ 6,395,500	\$ -	\$ (6,395,500)	\$ -
BAN	Sewer Projects and Equipment	Var	11/20/2020	700,000	-	(700,000)	-
Total Enterprise Funds				\$ 7,095,500	\$ -	\$ (7,095,500)	\$ -

NOTE 9 – LONG-TERM DEBT

The Town is subject to a dual-level, general debt limit: the normal debt limit and the double debt limit. Such limits are equal to 5% and 10%, respectively, of the valuation of taxable property in the Town as last equalized by the Commonwealth's Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general long-term debt which are exempt from the debt limit but are subject to other limitations.

TOWN OF PLAINVILLE, MASSACHUSETTS
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The following is a summary of the changes in long-term debt for the year ended June 30, 2021:

Bonds and Notes Payable Schedule -Governmental Funds

Project	Interest Rate %	Outstanding at June 30, 2020		Redeemed	Outstanding at June 30, 2021
		Issued	Redeemed		
Wood School	1.78	\$ 20,000	\$ -	\$ (20,000)	\$ -
Wood School	1.91	1,515,000	-	(515,000)	1,000,000
Multi-Purpose	2.68	2,595,000	-	(325,000)	2,270,000
Multi-Purpose	2.68	25,760,000	-	(945,000)	24,815,000
Multi-Purpose	1.99	-	4,374,155	-	4,374,155
		<u>29,890,000</u>	<u>4,374,155</u>	<u>(1,805,000)</u>	<u>32,459,155</u>
Add: Unamortized Premium		<u>2,031,569</u>	<u>-</u>	<u>(217,826)</u>	<u>1,813,743</u>
Total		<u><u>\$ 31,921,569</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,022,826)</u></u>	<u><u>\$ 34,272,898</u></u>

The annual debt service requirements for principal and interest for Governmental bonds and notes outstanding at June 30, 2021 are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 2,224,155	\$ 1,262,377	\$ 3,486,532
2023	2,110,000	1,135,281	3,245,281
2024	1,650,000	1,048,838	2,698,838
2025	1,700,000	968,887	2,668,887
2026	1,705,000	887,563	2,592,563
2027-2031	8,815,000	3,229,038	12,044,038
2032-2036	9,610,000	1,453,388	11,063,388
2037-2041	4,395,000	205,375	4,600,375
2042-2046	250,000	26,250	276,250
Total	<u>\$ 32,459,155</u>	<u>\$ 10,216,997</u>	<u>\$ 42,676,152</u>

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

Bonds and Notes Payable Schedule -Water and Sewer Enterprise Funds

Project	Interest		Outstanding at June 30, 2020	Issued	Redeemed	Outstanding at June 30, 2021
	Rate	%				
Water Pumping Station	2.00	\$ 375,164	\$ -	\$ (59,443)	\$ 315,721	
Water Treatment Plant	1.92	220,000	-	(75,000)	145,000	
Water Storage Tank	1.92	175,000	-	(60,000)	115,000	
Water Land Acquisition	1.91	130,000	-	(45,000)	85,000	
MWPAT Sewer	2.00	1,747,325	-	(134,410)	1,612,915	
Sewer I & I	1.55	100,000	-	(50,000)	50,000	
Water Mains, Valves, & Hydrants	1.91	470,000	-	(70,000)	400,000	
MCWT DWP-15-09	2.00	454,372	-	(60,800)	393,572	
Sewer Multi Purpose	1.99	-	1,149,845	-	1,149,845	
Water Multi Purpose	1.99	-	6,516,000	-	6,516,000	
Total		\$ 3,671,861	\$ 7,665,845	\$ (554,653)	\$ 10,783,053	

The annual debt service requirements for principal and interest for water and sewer enterprise funds bonds and notes outstanding at June 30, 2021 are as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 933,020	\$ 396,051	\$ 1,329,071
2023	889,750	308,057	1,197,807
2024	732,379	277,943	1,010,322
2025	745,063	250,233	995,296
2026	747,804	222,217	970,021
2027-2031	2,706,218	755,757	3,461,975
2032-2036	2,223,819	324,608	2,548,427
2037-2041	<u>1,805,000</u>	<u>109,122</u>	<u>1,914,122</u>
Total	\$ 10,783,053	\$ 2,643,988	\$ 13,427,041

TOWN OF PLAINVILLE, MASSACHUSETTS
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Loans Authorized and Unissued

As of June 30, 2021, the Town has loans authorized and unissued as follows:

Description	Date Authorized	Date	Amount
Salt Shed	6/1/2015		\$ 57,542
NPDES Engineering	6/6/2017		50,000
Two (2) Pickup Trucks	6/6/2017		10,400
Sewer System Rehab	6/6/2017		2,000
Mirimichi Bridge Replacement	6/6/2017		2,000
Senior Center Parking Lot Repairs	6/6/2017		3,000
Tennis Court Rehab	6/6/2017		3,000
Portable Radios	6/6/2017		8,000
Jackson School Parking Lot Repairs	6/6/2017		4,000
Jackson School Roof Replacement	6/6/2017		1,000
Jackson School Playground Upgrade	6/6/2017		4,000
Water Main Replacements	6/6/2017		8,500
Front End Loader	6/4/2018		175,000
Snow Tractor	6/4/2018		86,000
Firefighter Turnout Gear	6/4/2018		132,000
SCADA Sewer	6/4/2018		48,155
Weatherization Imprv Jackson	6/3/2019		3,600
Develop & Implement GIS	6/3/2019		150,000
Feasibility of Upgrades WTP	12/4/2019		341,000
Demo of Old Town Hall	12/4/2019		115,000
MV Replacement - 2 Cruisers	12/4/2019		34,000
Scada System Upgrades	7/13/2020		50,000
Redirection of Sewer Flows E. Bacon	7/13/2020		<u>25,000</u>
Total			<u>\$ 1,313,197</u>

Massachusetts School Building Authority Reimbursements

Chapter 645 of the Act of 1948 as amended (“Chapter 645”) created a statewide school building assistance program. Pursuant to this program, cities and towns issued bonds for eligible school building projects and were reimbursed over a period of years by the Commonwealth according to a statutory percentage for such city or Town.

Legislation enacted as part of the Commonwealth’s Fiscal 2001 budget repealed 645 and created a new school building assistance program codified as Chapter 70B of the Massachusetts General Laws. Among other changes, the new program includes grants for alternatives to construction and calculates grants for each project based on a number of factors. The new legislation does not affect the reimbursement percentages for bonds previously issued under Chapter 645, and the grants for certain “grandfathered” projects will be based on the statutory percentages provided for in Chapter 645.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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The Town was approved for 67% percent state school construction grants through the Massachusetts School Building authority (MSBA) to cover eligible project costs, including debt service associated with the financing of these projects, subject to annual appropriation by the state legislature. The Town received \$505,392 from scheduled annual payments in FY 2021 from the MSBA for completed school construction projects.

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes payable	\$ 29,890,000	\$ 4,374,155	\$ (1,805,000)	\$ 32,459,155	\$ 2,224,155
Add: Unamortized Premiums	2,031,569	-	(217,826)	1,813,743	209,333
	<u>31,921,569</u>	<u>-</u>	<u>(2,022,826)</u>	<u>34,272,898</u>	<u>2,433,488</u>
Capital lease payable	38,271	-	(12,023)	26,248	12,743
Net pension liability	14,686,115	-	(1,895,005)	12,791,110	-
Postemployment Benefits	31,909,376	-	(1,823,403)	30,085,973	-
 Total governmental activities long-term liabilities	 <u>\$ 78,555,331</u>	<u>\$ -</u>	<u>\$ (5,753,257)</u>	<u>\$ 77,176,229</u>	<u>\$ 2,446,231</u>
Business-Type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes payable	\$ 3,671,861	\$ 7,665,845	\$ (554,653)	\$ 10,783,053	\$ 933,020
Capital lease payable	6,520	-	(6,520)	-	-
Net pension liability	772,580	-	(99,689)	672,891	-
Postemployment Benefits	789,042	-	(32,690)	756,352	-
 Total business-type activities long-term liabilities	 <u>\$ 5,240,003</u>	<u>\$ 7,665,845</u>	<u>\$ (693,552)</u>	<u>\$ 12,212,296</u>	<u>\$ 933,020</u>

The governmental activities long-term liabilities are generally liquidated by the general fund.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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Overlapping Debt

The Town pays assessments under formulas which include debt service payments to other governmental agencies providing services to the Town, (commonly referred to as overlapping debt). The following summary sets forth the long-term debt of such governmental agencies and the estimated share being financed by the Town as of June 30, 2021:

Agency	Total Long-Term Debt Outstanding	Town's Estimated Share	Town's Indirect Debt
King Philip Regional School District Bonds	\$ 6,795,000	26.60%	\$ 1,807,470
Norfolk County Bonds	<u>15,505,000</u>	0.98%	<u>151,622</u>
	<u><u>\$ 22,300,000</u></u>		<u><u>\$ 1,959,092</u></u>

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town has classified its governmental fund balances with the following hierarchy.

	General Fund	Nonmajor Governmental Funds	Total
Fund Balances			
Restricted For:			
General Government	\$ -	\$ 1,461,554	\$ 1,461,554
Public Safety	-	444,922	444,922
Education	-	409,893	409,893
Public Works	-	182,629	182,629
Human Services	-	66,536	66,536
Culture & Recreation	-	115,597	115,597
Expendable Trust Fund	-	16,364	16,364
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
Committed To:			
Continuing Appropriations			
General Government	67,978	-	67,978
Human Services	55,690	-	55,690
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
Assigned To:			
Encumbered For:			
General Government	29,501	-	29,501
Public Safety	11,042	-	11,042
Education	109,847	-	109,847
Public Works	11,000	-	11,000
Human Services	302	-	302
Subsequent Years Expenditures	40,000	-	40,000
Reserved for Petty Cash	550	-	550
Reserved for Bond Premium	838	-	838
Capital Stabilization Trust Fund	2,461,194	-	2,461,194
LCS Stabilization Fund	2,541,460	-	2,541,460
Specail Educations Stabilization Fund	120,000	-	120,000
Planning Mitigation Stabilization Fund	25,000	-	25,000
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
Unassigned			
General Fund	5,070,976	-	5,070,976
General Stabilization Fund	816,619	-	816,619
Non Major Governmental Funds	-	(334,204)	(334,204)
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
Total Governmental Fund Balances	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – STABILIZATION ARRANGEMENTS

The Town has established several funds where the Town has set aside amounts for emergency and capital needs. These funds consist of the following;

- The *Stabilization fund* is used to account for any appropriation, as approved by a 2/3 vote at the annual or special town meeting for additions or reductions to the fund. Any interest shall be added to and become part of the fund. The Stabilization fund balance is \$816,619 as of June 30, 2021. The fund was established under chapter 40, sub-section 5B of the Massachusetts General Law.
- *The LCS Stabilization Fund* is used to account for appropriations funding costs related to the landfill. The Town may appropriate into and out of the fund at Annual or Special Town Meeting by 2/3 vote. The LCS stabilization fund balance is \$2,541,460 as of June 30, 2021.
- The *Capital Stabilization Fund* is used to account for any capital appropriation, as approved by a 2/3 vote at the annual or special town meeting for additions or reductions to the fund. Any interest shall be added to and become part of the fund. The Capital Stabilization fund balance is \$2,461,194 as of June 30, 2021. The fund was established under chapter 40, sub-section 5B of the Massachusetts General Law.
- The *Special Education Stabilization Fund* is used to account for unanticipated or unbudgeted costs of special education, out of district tuition, or transportation. The Special Education Stabilization fund balance is \$120,000 as of June 30, 2021. The fund was established under Section 24 of Chapter 218 of the Acts of 2016 of the Massachusetts General Laws.
- *The Planning Mitigation Stabilization Fund* is used to account for appropriations funding costs related to the Planning Board. The Planning Mitigation stabilization fund balance is \$25,000 as of June 30, 2021.

NOTE 12 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters.

The Town is insured for general liability; however, Chapter 258 of the Massachusetts General Laws limits the Town's liability to a maximum of \$100,000 per claim in all matters except in actions relating to federal civil rights, eminent domain and breach of contract. Such claims are charged to the general fund. There were no such claims in 2021.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The GASB Standards for *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires the following disclosures in the financial statements related to the retiree medical and life insurance benefits:

Plan Description. Town of Plainville Other Postemployment Benefits Plan (The Plan) is a single-employer defined benefit healthcare plan administered by the Town of Plainville. The plan provides medical and life insurance benefits to eligible retirees and their spouses. Town meeting vote is the authority to establish and amend benefit provisions to the Town. The Town has accepted various sections of Massachusetts General Laws Chapter 32B to provide 50% of the premium cost of retirees' health, and life insurance costs.

Funding Policy. The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2021 measurement date total Town premiums plus implicit costs for the retiree medical program are \$966,905. The Town also contributed \$0 to an OPEB Trust for a total contribution during the measurement period of \$966,905 to be reported on the financial statement for the fiscal year ending June 30, 2021.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to begin pre-funding its other postemployment benefit (OPEB) liabilities. As of June 30, 2021, the balance of this fund totaled \$556,618.

GASB Statement #75 – OPEB Employer Financial Reporting

Summary of Significant Accounting Policies – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expenses, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Measurement Date - GASB #75 requires the net OPEB liability to be measured as of the OPEB plans most recent fiscal year end. Accordingly, the net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Plan Membership – The following table represents the Plan's membership as July 1, 2020

Active Employees	174
Inactive Employees or Beneficiaries currently receiving benefits	<u>149</u>
Total	<u>323</u>

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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Components of OPEB Liability – The following table represents the components of the Plan's OPEB liability as of June 30, 2021:

Total OPEB Liability	\$ 31,398,943
Less: OPEB plan's fiduciary net position	<u>(556,618)</u>
Net OPEB Liability	<u><u>\$ 30,842,325</u></u>

The OPEB plan's fiduciary net position as a percentage of the total OPEB liability	1.77%
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TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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Significant Actuarial Methods and Assumptions – The plan’s total OPEB liability, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2021 to be in accordance with GASB Statement #75.

Valuation Date:	Actuarially Determined Contribution was calculated as of July 1, 2020.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	Market value of assets as of the measurement date June 30, 2021
Investment Rate of Return	6.66%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate:	2.18% as of June 30, 2021 (source: S&P Municipal Bond 20 year high grade index - SAPIHG)
Single Equivalent Discount Rate:	3.50% net of OPEB plan investment expense, including inflation.
Inflation:	2.50% as of June 30, 2021 and for future periods
Salary Increases:	3.00% annually as of June 30, 2021 and for future periods
Cost of Living Adjustment	Not Applicable
Pre-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.
Post-Retirement Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled Mortality:	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females set forward 1 year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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Rate of Return – For the year ended June 30, 2021 the annual money-weighted rate on investments, net of investments expense, was 29.10%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

The long-term real rate of return on OPEB plan investments was determined using the Town's investment policy. Best estimates of real rates of returns for each major asset class included in the OPEB plans target asset allocation as of June 30, 2021 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity - large cap	30.00%	4.90%
Domestic equity - small/mid cap	20.00%	5.40%
International equity - developed market	16.00%	5.32%
International equity - emerging market	7.00%	6.26%
Domestic fixed income	23.00%	1.40%
International fixed income	0.00%	1.30%
Alternatives	0.00%	6.32%
Real Estate	4.00%	6.25%
Cash & Cash Equivalents	0.00%	0.00%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability was 3.50% as of June 30, 2021, and 3.25% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2020	\$ 33,129,583	\$ 431,165	\$ 32,698,418
Charges for the year:			
Service cost	1,332,449	-	1,332,449
Interest on Total OPEB Liability, Service Cost, and Benefit Payments	1,104,429	-	1,104,429
Change in assumptions	3,120,680	-	3,120,680
Difference between actual and expected experience	(6,321,293)	-	(6,321,293)
Net Investment Income	-	125,453	(125,453)
Employer Contributions to Trust	-	966,905	(966,905)
Benefit payments withdrawn from trust	-	(966,905)	966,905
Benefit payments excluding implicit costs	(659,614)	-	(659,614)
Implicit cost amounts	<u>(307,291)</u>	<u>-</u>	<u>(307,291)</u>
Net Changes	<u>(1,730,640)</u>	<u>125,453</u>	<u>(1,856,093)</u>
Balance at June 30, 2021	<u>\$ 31,398,943</u>	<u>\$ 556,618</u>	<u>\$ 30,842,325</u>

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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Sensitivity of the net OPEB liability and service cost to changes in the discount rate – The following table presents the Plan’s net OPEB liability and service cost calculated using the discount rate of 3.50% as well as what the net OPEB liability and service cost would be if it were calculated using a discount rate that is 1 percentage-point lower (2.50%) or 1 percentage-point higher (4.50%) than the current rate.

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability	\$ 36,674,415	\$ 30,842,325	\$ 26,283,523
Service Cost	\$ 1,773,999	\$ 1,332,449	\$ 1,013,726

Sensitivity of the net OPEB liability and service cost to changes in the healthcare trend – The following table presents the net other postemployment benefit liability and service cost calculated using the current healthcare trend rate of 4.50% as well as what the net OPEB liability and service cost would be if it were calculated using a healthcare trend rate that is 1 percentage-point lower or 1 percentage-point higher.

	1% Decrease (3.50%)	Current Trend (4.50%)	1% Increase (5.50%)
Net OPEB liability	\$ 25,784,615	\$ 30,842,325	\$ 37,439,848
Service Cost	\$ 1,013,439	\$ 1,332,449	\$ 1,784,518

Postemployment Benefits Deferred Outflows/Inflows of Resources

For the year ended June 30, 2021 the Town reported deferred outflows and inflows of resources related to postemployment benefits of \$6,305,390 and \$7,004,684 respectively.

The balances of deferred outflows and inflows as June 30, 2021 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between actual and expected experience	\$ -	\$ (6,924,472)	\$ (6,924,472)
Changes of Assumptions	6,292,034	-	6,292,034
Net difference between projected and actual investment earnings	<u>13,356</u>	<u>(80,212)</u>	<u>(66,856)</u>
Total Deferred Outflows (Inflows) of Resources	<u><u>\$ 6,305,390</u></u>	<u><u>\$ (7,004,684)</u></u>	<u><u>\$ (699,294)</u></u>

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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The Town's net deferred outflows/(inflows) of resources related to other postemployment benefits will be recognized in future years other postemployment benefits are as follows:

Period Year ended June 30	Amount
2022	\$ (72,376)
2023	(69,556)
2024	(70,761)
2025	(141,227)
2026	<u>(345,374)</u>
Total Deferred Outflows/(Inflows) Recognized in Future Years	<u>\$ (699,294)</u>

Changes of Assumption – Discount rate changed from 3.25% to 3.50% as of June 30, 2021

Changes in Plan Provisions - None

NOTE 14 – PENSION PLANS

A. Plan Descriptions

The Town is a member of the Norfolk County Retirement System (The System), a cost-sharing multiple-employer, contributory defined benefit pension plan covering eligible employees of the 41 member units deemed eligible by the system. Chapter 32 of the Massachusetts General Law assigns authority to establish and amend benefit provisions of the system. Substantially all employees are members of the system except for school teachers and certain school administrators.

The System issues a publically available audited financial report that may be obtained by contacting the system's executive director at 480 Neponset Street, Building #15, Canton, Massachusetts 02021. The report can also be obtained online at www.norfolkcountyretirement.org.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>. The MTRS report may also be obtained by contacting MTRS at One Charles Park, Cambridge, Massachusetts 02142-1206.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No.68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2020. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$2,678,114 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$21,682,620 as of the measurement date.

The "System" and the MTRS are contributory defined benefit plans and membership in both the "System" and the MTRS is mandatory upon commencement of employment for all permanent, full-time employees.

B. Benefits Provided

The System and MTRS provide retirement, disability and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a employee's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became employees on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a employee's age, length of creditable service, level of compensation, and group classification. Employees become vested after ten years of creditable service. There are three classes of membership in the retirement system: group 1, group 2, and group 4. Group 1 consists of general employees which includes clerical and administrative positions. Group 2 consists of positions that have even been specified as hazardous. Lastly, group 4 consist of police officers, firefighters, and other hazardous positions.

Employees become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service if hired after 1978 and if classified in groups 1 or 2. A person who became a employee on or after April 2, 2012 is eligible for a superannuation retirement allowance upon reaching the age of 60 with 10 years of service in group 1, 55 years of age with 10 years of service if in group 2 and 55 years of age if hired prior to 1978 or if classified in group 4. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

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

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, with at least ten years of creditable service, such employees are entitled to receive one hundred (100%) percent of the regular interest which has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of employees whose death occurs prior to or following retirement.

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

C. Contributions

Norfolk County Retirement System

Chapter 32 of MGL governs the contributions of plan members and member employees. Active plan members are required to contribute to the system at rates ranging from 5 to 9% of their gross regular compensation. Members joining the system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the system, a legislatively mandated actuarial determined contribution that is apportioned among the employers based on actuarial valuation results. The Town's proportionate share of the required contribution for the year ended December 31, 2020 which was \$2,111,287 and 22.92% of covered payroll, actuarially determined as an amount that when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

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

Pension Liabilities

At June 30, 2021 the Town reported a liability of \$13,464,001 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. Accordingly, updated procedures were used to roll forward the total pension liability to the measurement date. 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 members actuarially determined. At December 31, 2020, the Town's proportion was 2.64% which had a minor increase from its proportion measured as of December 31, 2019.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2021 the Town recognized pension expense of \$1,928,570. At June 30, 2021 the Town reported deferred outflows and inflows of resources related to pensions of \$2,104,334 and \$2,599,569 respectively.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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The balances of deferred outflows and inflows as June 30, 2021 consist of the following:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Difference between expected and actual experience	\$ 680,613	\$ -	\$ 680,613
Changes of Assumptions	60,352	-	60,352
Difference between projected and actual investment earnings	1,346,772	(2,520,240)	(1,173,468)
Changes in proportionate share of contributions	<u>16,597</u>	<u>(79,329)</u>	<u>(62,732)</u>
Total Deferred Outflows (Inflows) of Resources	<u><u>\$ 2,104,334</u></u>	<u><u>\$ (2,599,569)</u></u>	<u><u>\$ (495,235)</u></u>

The Town's net deferred outflows/inflows of resources related to pensions will be recognized in future years as follows:

<u>Year ended June 30</u>	<u>Amount</u>
2021	\$ 86,852
2022	249,076
2023	(616,296)
2024	(214,867)
<u>Totals</u>	<u><u>\$ (495,235)</u></u>

E. Actuarial Assumptions

The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date that was updated to December 31, 2020.

Valuation date	January 1, 2020
Actuarial cost method	Entry age normal cost method
Cost of Living Increase	3.0% of first \$18,000 of retirement income
Asset valuation method	market value
Inflation	3.0%
Projected Salary increases	3.5% - 5.5%
Mortality rates	The RP-2014 blue collar mortality table adjusted with scale MP-2014.
Investment rate of return	7.75%

**TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

F. Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	30.5%	7.30%
International Equities	15.5%	8.10%
Fixed Income	20.5%	4.30%
Private Equity	10.0%	9.90%
Real Estate	9.5%	8.20%
Real Assets	2.5%	9.00%
Hedge Funds	11.5%	9.90%
Total	100%	

The system's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the plan.

For the year ended December 31, 2020 the System's annual money-weighted rate of return on pension plan investments net of pension plan investment expense was 11.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

G. Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2020 was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Under Chapter 32 of the MGL, employers are required to make the necessary contributions such that the plan reaches full funding status by 2040. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

H. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the system, as of December 31, 2020 calculated using the discount rate of 7.75%, as well as what the system's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Towns proportionate share of the net pension liability	\$ 18,126,116	\$ 13,464,001	\$ 9,433,813

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

NOTE 15 – COMMITMENTS AND CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2021, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is believed the amount, if any, would not be material.

Various other legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2021.

NOTE 16 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The Town is considered an essential business and closed to the public, but departments remained operational and most employees continued to perform their daily duties.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
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In Fiscal Year 2021 the Town has incurred unanticipated costs specifically related to the pandemic. On March 27, 2020 the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment of funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect to COVID-19. The Commonwealth and communities throughout the Commonwealth were awarded a portion of the federal funding. In addition to the funding from the CARES Act, there are several other federal and state grants available to help offset these unanticipated costs.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 17 – REVISION OF NET POSITION PREVIOUSLY REPORTED

Beginning net position of the governmental activities and the nonmajor governmental funds has been revised to reflect the implementation of GASB Statement #84. The revised balances are summarized in the table shown below:

	<u>6/30/2020</u> Previously Reported Balances	<u>Implementation of GASB Statements #84 Fiduciary Funds</u>	<u>6/30/2020</u> Revised Balances
<i>Government-Wide Financial Statements</i>			
Governmental activities	<u>\$ (4,301,610)</u>	<u>\$ 295,848</u>	<u>\$ (4,005,762)</u>
<i>Governmental Funds</i>			
Nonmajor governmental funds	<u>\$ (1,619,964)</u>	<u>\$ 295,848</u>	<u>\$ (1,324,116)</u>

NOTE 18 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2021, the following GASB pronouncements were implemented:

The GASB issued **Statement #84, Fiduciary Activities**, was implemented in 2021. Management's current assessment is that this pronouncement did not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #90, Majority Equity Interests – an Amendment of GASB Statements No.14 and No.61**, was implemented in 2021. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

Future GASB Pronouncements:

The GASB issued **Statement #87, Leases**, which is required to be implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

TOWN OF PLAINVILLE, MASSACHUSETTS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

The GASB issued **Statement #89**, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #91**, *Conduit Debt Obligations* – which is required to be implemented in 2023. Earlier application is encouraged. The primary objectives of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. . Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #92**, *Omnibus 2020*, which is required to be implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #93**, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #94**, *Public-Private and Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #96**, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #97**, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Service Code 457 Deferred Compensation Plans*, which is required to be implemented in 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statements #98**, *The Annual Comprehensive Financial Report*
The requirements of this Statement are effective for fiscal years ending after December 15, 2021.
Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

**TOWN OF PLAINVILLE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
NORFOLK COUNTY RETIREMENT SYSTEM
JUNE 30, 2021**

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Town's proportion of the net pension liability	2.64%	2.63%	2.65%	2.65%	2.71%	2.71%	2.45%
Town's proportionate share of the net pension liability	\$ 13,464,001	\$ 15,458,695	\$ 17,275,957	\$ 14,661,804	\$ 14,132,195	\$ 14,705,913	\$ 12,717,840
Town's covered-employee payroll	\$ 9,212,000	\$ 8,900,483	\$ 8,022,422	\$ 7,751,152	\$ 7,591,280	\$ 7,235,026	\$ 5,818,810
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	146.16%	173.68%	215.35%	189.16%	186.16%	203.26%	218.56%
Plan fiduciary net position as a percentage of the total pension liability	70.20%	64.60%	58.30%	63.50%	61.60%	58.60%	60.10%

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

See notes to Required Supplementary Information

TOWN OF PLAINVILLE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
NORFOLK COUNTY RETIREMENT SYSTEM
JUNE 30, 2021

SCHEDULE OF TOWN'S CONTRIBUTION

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Actuarily determined contribution	\$ 2,111,287	\$ 1,972,106	\$ 1,856,698	\$ 1,697,074	\$ 1,359,848	\$ 1,234,888	\$ 1,186,472
Contribution in relation to the actuarilly determined contribution	<u>(2,111,287)</u>	<u>(1,972,106)</u>	<u>(1,856,698)</u>	<u>(1,697,074)</u>	<u>(1,359,848)</u>	<u>(1,234,888)</u>	<u>(1,186,472)</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Town's covered-employee payroll	\$ 9,212,000	\$ 8,900,483	\$ 8,022,442	\$ 7,751,152	\$ 7,591,280	\$ 7,235,026	\$ 5,818,810
Contribution as a percentage of covered - employee payroll	22.92%	22.16%	23.14%	21.89%	17.91%	17.07%	20.39%

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

See notes to Required Supplementary Information

TOWN OF PLAINVILLE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
MASSACHUSETTS TEACHERS RETIREMENT SYSTEM
JUNE 30, 2021

Schedule of the Commonwealth's Collective amounts of the Net Pension Liability

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

<u>Fiscal Year</u>	<u>Commonwealth's 100% Share of the Net Pension Liability Associated with the Town</u>	<u>Town's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2021	\$ 21,682,620	\$ 2,678,114	50.67%
2020	19,596,191	2,376,378	53.95%
2019	18,027,732	1,826,850	54.84%
2018	16,718,715	1,744,981	54.25%
2017	16,267,766	1,659,419	52.73%
2016	14,855,105	1,204,881	55.38%
2015	11,484,417	797,878	61.64%

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

See notes to required supplementary information.

TOWN OF PLAINVILLE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2021

Schedule of the Town's Net OPEB Liability and Related Ratios

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability					
Service Cost	\$ 1,332,449	\$ 1,315,010	\$ 1,147,704	\$ 1,069,104	\$ 1,027,996
Interest on total OPEB liability, service cost, and benefit payments	1,104,429	1,133,931	1,109,443	1,052,307	997,645
Differences between actual and expected experience	(6,321,293)	(168,469)	(2,855,031)	-	-
Change in assumptions	3,120,680	2,375,596	3,783,335	-	-
Benefit Payments Including Implicit Costs	(966,905)	(891,068)	(810,509)	(733,505)	(667,508)
Net Change in total OPEB liability	(1,730,640)	3,765,000	2,374,942	1,387,906	1,358,133
Total OPEB liability-beginning	<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)	<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>
Plan fiduciary net position					
Employer contributions to trust	966,905	891,068	860,509	783,505	768,136
Net investment income	125,453	10,334	19,246	34,057	25,223
Benefit payments withdrawn from trust	(966,905)	(891,068)	(810,509)	(733,505)	(667,508)
Net change in plan fiduciary net position	125,453	10,334	69,246	84,057	125,851
Plan fiduciary net position - beginning	<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>556,618</u>	<u>431,165</u>	<u>420,831</u>	<u>351,585</u>	<u>267,528</u>
Town's net OPEB liability-ending (a)-(b)	<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 total OPEB liability	1.77%	1.30%	1.43%	1.30%	1.04%
Covered-employee payroll	\$ 12,154,414	\$ 14,273,533	\$ 13,857,799	\$ 12,671,014	\$ 12,301,957
Plan's net OPEB liability as a percentage of covered-employee payroll	253.75%	229.08%	208.86%	210.23%	205.94%

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

See notes to required supplementary information.

TOWN OF PLAINVILLE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2021

Schedule of the Town's Contribution

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Actuarial determined contribution	\$ 2,434,343	\$ 2,983,396	\$ 2,712,414	\$ 2,477,834	\$ 2,368,204
Contributions in relation to the actuarially determined contribution	<u>(966,905)</u>	<u>(891,068)</u>	<u>(860,509)</u>	<u>(783,505)</u>	<u>(768,136)</u>
Contribution deficiency (excess)	<u>\$ 1,467,438</u>	<u>\$ 2,092,328</u>	<u>\$ 1,851,905</u>	<u>\$ 1,694,329</u>	<u>\$ 1,600,068</u>
Covered-employee payroll	\$ 12,154,414	\$ 14,273,533	\$ 13,857,799	\$ 12,671,014	\$ 12,301,957
Contributions as a percentage of covered-employee payroll	7.96%	6.24%	6.21%	6.18%	6.24%

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

See notes to required supplementary information.

TOWN OF PLAINVILLE, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2021

Schedule of Investment Return

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expense	29.10%	2.46%	5.47%	11.67%	6.83%

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

See notes to required supplementary information.

TOWN OF PLAINVILLE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Pension Plan Schedules

A. Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability; the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

B. Schedule of Town's Contribution

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

C. Schedule of the Commonwealth's Collective amounts of the Net Pension Liability

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

D. Changes in Plan Provisions – None

Other Postemployment Benefits Schedules

A. Schedule of the Town's Net OPEB Liability and Related Ratios

The Schedule of the Town's Net OPEB Liability and Related Ratios presents multi-year trend information on changes in the plan's total OPEB liability, changes in the plan's net position, and ending net OPEB liability. It also demonstrates the plan's net position as a percentage of the total liability and the plan's net OPEB liability as a percentage of covered-employee payroll.

B. Schedule of the Town's Contribution

The Schedule of the Town's contributions includes the Town's annual required contribution to the plan, along with the contribution made in relation to the actuarially determined contribution. The Town is not required to fully fund this contribution.

TOWN OF PLAINVILLE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

C. Schedule of Investment Return

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

D. Changes in Provisions - None