

TOWN OF BURLINGTON, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Year Ended June 30, 2022

On the cover:

New Department of Public Works highway, water and sewer facility public entrance.



Third Ave. shopping district clock tower.

TOWN OF BURLINGTON, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022



Prepared by:

Accounting Department

TOWN OF BURLINGTON, MASSACHUSETTS

Annual Comprehensive Financial Report For the Year ended June 30, 2022

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Introductory Section



The District Burlington Office park entry signage.

Introductory Section



TOWN OF BURLINGTON

Select Board/Town Administrator's Office

Paul Sagarino, Jr., Town Administrator

Betty McDonough, Office Manager

Letter of Transmittal

December 16, 2022

To the Honorable Members of the Select Board and citizens of the Town of Burlington:

State law requires the Town of Burlington to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the Annual Comprehensive Financial Report (ACFR) of the Town of Burlington, Massachusetts, for the year ending June 30, 2022, for your review.

The ACFR is intended for use by elected and appointed Town officials, as well as any other party with an interest in the management, development, and progress of the Town, such as, financial institutions, credit rating agencies, bond analysts, and the residents and taxpayers of the Town of Burlington. The report is designed to present complex financial data in a manner that is easy for the user to review and interpret.

This report consists of management's representations concerning the finances of the Town of Burlington. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Because the cost of internal controls should not outweigh their benefits, the Town of Burlington's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Town of Burlington's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Burlington for the year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Burlington's financial statements for the year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Burlington was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards

governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Burlington's separately issued Single Audit Report.

Generally accepted accounting principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement, and should be read in conjunction with, the MD&A. The Town's MD&A can be found immediately following the independent auditor's report from Powers & Sullivan, LLC.

Profile of the Town

The Town of Burlington is located in Middlesex County, approximately 14 miles from Boston. It is bordered on the west by the Town of Bedford, on the north and northeast by the Town of Billerica and the Town of Wilmington, and on the south and southeast by the City of Woburn and the Town of Lexington. Established as a Town in 1799, Burlington occupies a land area of 11.88 square miles. According to the 2021 census conducted by the Burlington Town Clerk, Burlington is home to a population of approximately 26,186.

The Town is governed by a 126-member representative Town Meeting, and a five member Select Board assisted by a Town Administrator. Local school affairs are administered by a School Committee of five persons, elected for three years on a staggered basis. Local taxes are assessed by a Board of Assessors elected for staggered three-year terms.

The Town of Burlington provides general government services for the territory within its boundaries, including police and fire protection, collection and disposal of solid waste and recycling, public education for grades K-12, sewer services, street maintenance, public libraries, parks, and recreational facilities. The Shawsheen Valley Regional Technical-Vocational School District provides vocational technical education for the Town. The principal services provided by the Commonwealth of Massachusetts are: jails and houses of correction, registries of deeds, and probate.

The Burlington Housing Authority provides housing for eligible low-income families and handicapped persons. The Massachusetts Bay Transportation Authority provides rail and bus service to the Town and the Town has also piloted a subsidized ride-share program to offer more flexible services for users.

Ensuring the future sustainability of the Town's water and sewer system is a priority. The Town of Burlington utilizes both surface water and ground waters to treat at two Town water treatment plants. Though the Town has been a member of the MWRA for sewer services only in the past, Burlington is now undergoing a large construction project to include water services as well. The Town has laid out a plan to join the MWRA for water services that will support additional growth and enhance the reliability of the water access for all our users. The connection to the MWRA is a significant investment of over \$25 million which will come to fruition in multi phases. Phase 1 was completed in December of 2020, and has been providing one million gallons per day. The Phase 2 contract was awarded and is on schedule to be completed in May 2023. Once complete, the Town will be able to take a total of 3.5 MGD of water from the MWRA in combination with the connection from Phase 1 of the project.

Local Economy

Economic development remains a priority for the Burlington Select Board and the Administration so that the Town may continue to support a diverse and growing commercial sector. Promoting the vitality of our commercial areas enables Burlington to provide a high level of community services and invest in new initiatives and infrastructure that improve the quality of life for the future of our residents and businesses.

The tax structure in Burlington is unique among municipalities, with one of the state's highest ratios of commercial to residential property values and the adopted split tax rate. In many communities, it is common to have a property tax ratio of 95% residential and 5% commercial. In Burlington, the commercial tax levy comprises 62% of the total tax levy, while the residential contributes 38%. In 2022, the approved split tax rate resulted in approximately \$80.7 million in commercial property taxes compared to \$48.8 million in residential property taxes.

Burlington continues to make strides in the post-pandemic environment. That said, macroeconomic headwinds will likely moderate interest in business expansion and new tenant leases in various industries across the region. Rising interest rates and inflation will affect the markets, likely resulting in reduced tenant demand. Yet the fundamentals of Burlington's commercial sector, such as pro-active land use policies and the community's locational advantages - being close to Boston and accessible to a talented workforce - will help maintain Burlington as a healthy and attractive location for businesses to consider.

The future of work and its new hybrid form also remain in flux. Nonetheless, Burlington's commercial office space metrics remain competitive. This is due to existing long-term leases, new interest in suburb space options, and proactive rezoning initiatives led by the Town to allow properties to expand their tenant options with life sciences and other research uses. Average rents reported by Costar for the Burlington office market are approximately \$27.73 per square foot, with a vacancy rate of just over 10% within a competitive range to nearby Waltham, where the average office rents are \$28.43 per square foot, with a vacancy rate of 7.8%.

Over the last several years, Town Meeting has approved various new land use policies that have amplified the message that Burlington is open and ready for the research and development industries. This approach has proven successful for the Town. For instance, earlier in 2022, the Broad Institute and Vericel broke ground on a new 230,000 square foot building at Network Drive, newly renamed "Blue Sky Drive," to reflect the area's growing innovation cluster. Fractyl Laboratories, a company focused on therapies that target type two diabetes, recently executed a large lease for nearly 80,000 square feet at 3 Van De Graaff Drive. In addition, investors continue to show interest in the suburban market; for instance, Montana Avenue Capital Partners acquired 5 Burlington Woods, 103,380 square feet, for \$32.8 million to reposition the building for life sciences. Companies and investments such as these not only grow our innovation cluster but also support our local retail and hospitality industries that continue to recover.

Burlington's retail market demand is "solid" based on reports by real estate firms such as Costar and JLL. There has been a growing interest in new 'non-traditional retail' such as those that blend interactive sport, play elements, or virtual reality with food service to create unique customer experiences. In response, in early 2022 Town Meeting moved to support a zoning amendment to permit such uses in certain business districts. Moreover, the Simon Company, which owns the Burlington Mall, reported recently that their overall occupancy rates are about 95% compared to 92.8% last year, and they remain very optimistic regarding brick-and-mortar retail and the upcoming holiday season.

Financial Health

The Administration has always prioritized financial stability. The Town's consistent conservative methodology in managing its budgeting and tax levy has been a major factor contributing to this stability. It was this conservative budgeting approach and careful financial planning that put us in the best possible position to weather this COVID-

19 global pandemic and the resulting financial crisis. The commercial real estate tax base that the Town enjoys has afforded it the opportunity to be fiscally conservative while maintaining a high level of service and without having to impose higher property taxes or onerous fees on residents. Unlike many Massachusetts communities, layoffs or reductions in services have been avoided. The Town continues to maintain a healthy position with financial reserves. The Town ended the year with an unused taxing capacity of \$11.81 million, a Stabilization Fund balance of \$11.4 million, and an additional Other Post-Employment Benefits Fund balance \$13.5 million. Free Cash was certified at over \$24.9 million for June 30, 2022, and the Town's bond rating remains at the highest possible level at AAA by Standard & Poor's which is reflective of the Towns continued adherence to conservative financial policies, such as aggressively paying down debt or the "pay as you go" capital plan policies. We take a lot of pride in this financial success, but also understand that we need to continue to be cognizant of maintaining a sustainable outlook in our forecasts so as to not jeopardize it. Over the years, the Town has developed financial and capital plans that guide decision making during the budget process. Per the Town's financial policies and best practices, the finance team regularly meets with the Select Board, School Committee and Ways and Means Committee to develop financial guidelines to provide direction for all boards, committees, officials and departments. Given the economic uncertainty created by the COVID-19 global pandemic this process will become even more complex over the next few fiscal years.

Budgetary Controls

The Town Accountant is responsible for preparing the budget and reviewing it with the various departments, boards and committees. This budget is then presented to the Town Administrator who, in turn, after review, presents the budget to the Select Board. The Select Board review all requests and Town-wide issues and present a budget to Town Meeting for approval. A fifteen-member Ways and Means Committee made up of citizen volunteers appointed by the Town Moderator reviews the budget and makes recommendations to Town Meeting. A separate Capital Committee made up of seven citizen volunteers appointed by the Town Moderator reviews capital expenditure plans.

The level of budgetary control is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department salary and expense level. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. During the year, the Ways and Means Committee, upon request of the Town Administrator, may approve a transfer from a reserve fund previously established by Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Burlington for its Annual Comprehensive Finance Report (ACFR) for the fiscal year ended June 30, 2021. This was the 7th consecutive year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Select Board and Audit Committee for their unfailing support for maintaining the highest standards of professionalism in the management of the Town, including its finances.

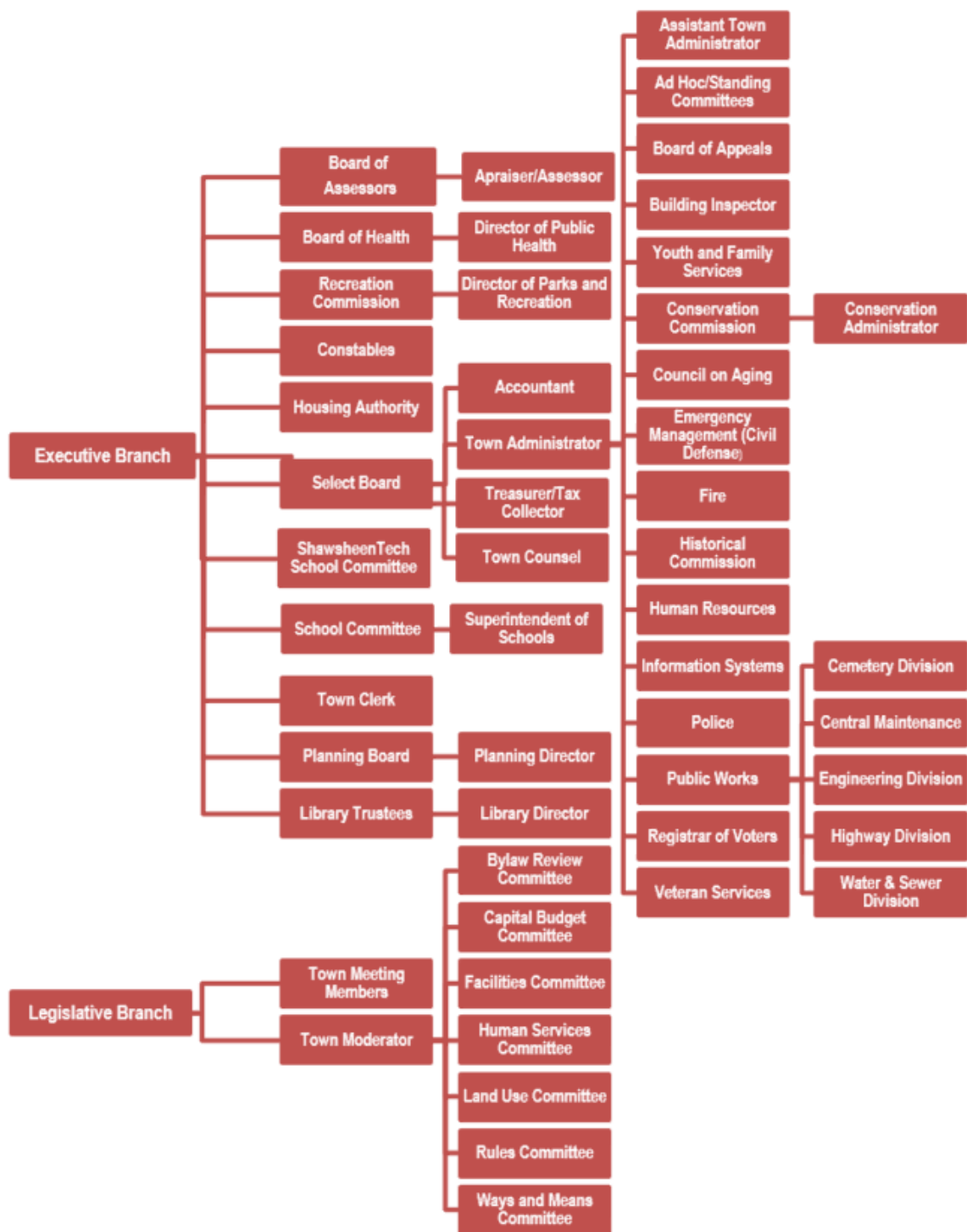
Respectfully submitted,

A handwritten signature in black ink that reads "Paul F. Sagarino, Jr." The signature is written in a cursive, flowing style.

Paul Sagarino, Jr.
Town Administrator

The Town of Burlington

Organizational Chart



Principal Town Officials

As of June 30, 2022

Elected Officials

Term Expires

Select Board	Nicholas Priest, Chair	2025
	Michael Runyan, Vice Chair	2024
	Jim Tigges	2023
	Joseph Morandi	2024
	Michael Espejo	2025
Moderator	William Beyer	2023
Town Clerk	Amy E. Warfield	2026
Assessors	Paul Sheehan, Chair	2024
	Catherine O'Neil	2025
	Kevin Sheehan	2023
School Committee	Katherine Bond, Chair	2023
	Carl Foss, Vice Chair	2023
	Christine Monaco	2025
	Martha A. Simon	2024
	Melissa Massardo	2025

Appointed Officials

Town Administrator	Paul Sagarino, Jr.
Assistant Town Administrator/ Town Accountant	John Danizio
Superintendent of Schools	Eric M. Conti
Assistant Superintendent of Schools	Patrick E. Larkin
Assessor	Paul Tierney
Treasurer/Collector	Gary Gianino



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Burlington
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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Financial Section



The park at Burlington Mall, with a Friends of the Burlington Library, free little library.

Financial Section

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Independent Auditor's Report

To the Honorable Select Board
Town of Burlington, Massachusetts

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 7 to the financial statements, in the year ending June 30, 2022, the Town adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Burlington, Massachusetts' ability to

continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Burlington, Massachusetts' internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Bowers & Sullivan LLC", is written over a horizontal line.

December 16, 2022

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Burlington, Massachusetts (Town), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2022. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (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 (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditor's opinion. If the Town's financial statements have significant departures from GAAP the independent auditors may issue a qualified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates. The Town has enjoyed an unmodified opinion on its financial statements for many years.

Financial Highlights

- The liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources at the close of the most recent year by \$18.6 million (net position).
- The Town recognized their net pension liability of \$118.8 million along with a deferred outflow and deferred inflow of resources related to pension of \$9.2 million and \$20.5 million, respectively, on the statement of net position.
- The Town recognized their net other postemployment liability of \$107.5 million along with a deferred outflow and deferred inflow of resources related to other postemployment benefits of \$2.4 million and \$3 million, respectively, on the statement of net position.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$60.4 million, an increase of \$10.3 million in comparison with the prior year. Total fund balance represents 36.2% of total general fund expenditures. Approximately \$49.5 million of this total amount is available for appropriation at the government's discretion, \$5 million is committed for capital articles approved by Town Meeting and \$6 million is assigned for encumbrances carried forward to the subsequent year.
- The Town's total debt (short-term and long-term combined) was \$94.6 million at year end, a net increase of \$6.7 million during the current year. During the current year the Town issued \$4.2 million of general obligation bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other required

supplementary information in addition to the basic financial statements themselves.

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

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

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

The government-wide financial statements report functions that are primarily supported by taxes and intergovernmental revenues (governmental activities). The governmental activities include general government, public safety, education, public works, human services, water and sewer, culture and recreation, and interest.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information is useful in assessing the Town of Burlington's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

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

The Town is reporting two major governmental funds that are presented separately in the governmental fund financial statements. The remaining non-major funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

In accordance with accounting standards, the Town reports fund balance components as nonspendable, restricted, committed, assigned and unassigned. Additionally, the Town's stabilization fund is reported within the general fund as unassigned. The Town adopts an annual appropriated budget for its general fund.

A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. The budgetary comparison statement is presented as Required Supplementary Information after the notes to the financial statements.

Proprietary funds. The Town maintains one proprietary fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses an internal service fund to account for health insurance activities. These services have been included within governmental activities in the government-wide financial statements.

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

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

Financial highlights. The following pages provide financial highlights of the government-wide financial statements for 2022 in comparison to 2021.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, government-wide liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$18.6 million at the close of 2022.

Net position of \$135.8 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, vehicles and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position totaling \$5.9 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position resulted in a \$160.2 million deficit, due to the cumulative effect of recording \$118.8 million net pension liability and \$107.5 million of net OPEB liability through June 30, 2022.

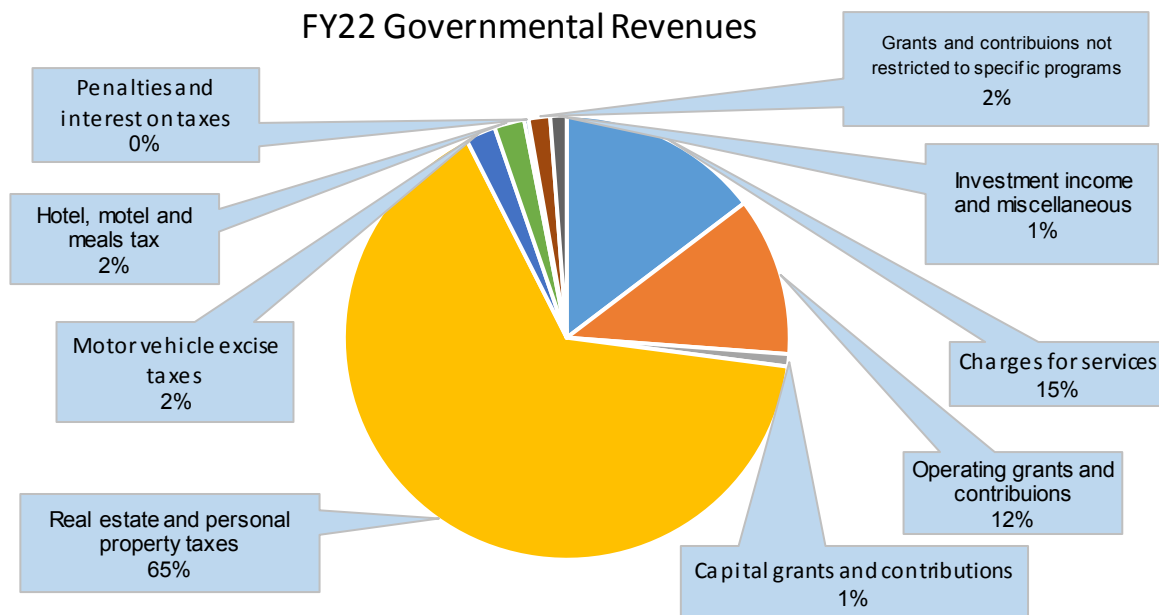
The financial analysis of the Town's governmental activities is presented on the following pages.

Governmental Activities. The governmental activities net position increased by approximately \$7.3 million during the current year. The underlying reason for the change were the \$21.5 million of capital additions exceeding depreciation of \$8.8 million on prior assets. The net increase of capital assets offset the \$2.9 million increase in the net OPEB liability and related deferrals and the \$1 million decrease of the health insurance internal service fund.

	June 30, 2022	June 30, 2021
Assets:		
Current assets.....	\$ 134,325,980	\$ 120,418,055
Capital assets, non depreciable.....	73,948,403	59,255,854
Capital assets, net of accumulated depreciation....	136,870,747	138,847,028
Total assets.....	345,145,130	318,520,937
Deferred outflows of resources.....	11,563,237	13,539,638
Liabilities:		
Current liabilities (excluding debt).....	27,018,830	17,485,062
Noncurrent liabilities (excluding debt).....	229,974,174	240,901,408
Current debt.....	18,118,763	10,881,279
Noncurrent debt.....	76,519,610	75,526,060
Total liabilities.....	351,631,377	344,793,809
Deferred inflows of resources.....	23,652,976	13,148,817
Net position:		
Net investment in capital assets.....	135,757,762	135,182,510
Restricted.....	5,877,837	8,397,203
Unrestricted.....	(160,211,585)	(169,461,764)
Total net position.....	\$ (18,575,986)	\$ (25,882,051)

	June 30, 2022	June 30, 2021
Program Revenues:		
Charges for services.....	\$ 28,707,052	\$ 21,439,110
Operating grants and contributions.....	22,614,123	34,736,355
Capital grants and contributions.....	1,761,059	1,098,537
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	128,284,211	122,476,257
Tax and other liens.....	633,488	308,716
Motor vehicle and other excise taxes.....	4,303,954	4,413,125
Hotel/motel and meals tax.....	4,269,708	2,438,799
Penalties and interest on taxes.....	598,877	369,596
Payments in lieu of taxes.....	524,688	521,081
Grants and contributions not restricted to specific programs.....	3,084,725	2,830,157
Unrestricted investment income.....	1,164,386	2,418,605
Total revenues.....	195,946,271	193,050,338
Expenses:		
General government.....	12,044,785	10,853,670
Public safety.....	31,733,925	35,156,146
Education.....	102,899,408	107,763,007
Public works.....	19,806,492	18,094,219
Human services.....	3,000,888	2,996,114
Water and sewer.....	11,032,363	8,917,212
Culture and recreation.....	6,220,841	6,495,983
Interest.....	1,901,504	2,180,268
Total expenses.....	188,640,206	192,456,619
Change in net position.....	7,306,065	593,719
Net position, beginning of year.....	(25,882,051)	(26,475,770)
Net position, end of year.....	\$ (18,575,986)	\$ (25,882,051)

- Charges for services represent about 14.7% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Select Board are included in this category. Most of these resources apply to water and sewer operations. Water and sewer user rates were increased for fiscal year 2022. The increase over the prior year primarily relates to an increase in building permit revenues.
- Operating grants and contributions account for 11.5% of the governmental activities' resources. Most of these resources apply to education operations. Of the \$12 million decrease from the prior year, \$8.2 million relates to a decrease in the State's on behalf payment to the Massachusetts Teachers Retirement System.
- Capital grants and contributions account for 1% of the governmental activities' resources. Most of these resources apply to roadway infrastructure and water/sewer improvements.



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 65.5% of all resources. Real estate and personal property tax collections increased 4.7% from the prior year. In Massachusetts, Proposition 2 ½ allows municipalities to increase tax levies up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service.
- Other taxes and other revenues comprised a total of 7.4% of the governmental activities resources. These primarily include excise taxes, hotel motel and meals tax, penalties and interest on taxes, and investment earnings. A significant increase was noted from the prior year hotel motel and meals tax as hotels and restaurants opened again from the COVID-19 pandemic.
- Education is the largest governmental activity of the Town with 54.5% of total governmental expenses. Program revenues of \$26.6 million provided direct support to education and \$76.3 million in taxes and other general revenue were needed to cover the remaining 2022 operating expenses.
- Public safety and public works are the second and third largest activities of the Town. Approximately \$22.2 million and \$18.2 million, respectively, of taxes and other revenue were needed to cover their 2022 operating expenses.

Financial Analysis of the Government's Funds

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

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

At the end of the current year, the Town's governmental funds reported combined ending fund balances of \$80.1 million, a decrease of \$2.4 million from the prior year. This decrease is related to a \$11.8 million decrease in the

public works capital project fund due to the timing differences of construction expenditures and bond issuances, a \$10.3 million increase in the general fund, and a decrease in the nonmajor funds of \$917,000 from timing differences between the receipt of federal and state revenue and expenditures of grant funds.

The general fund is the chief operating fund of the Town. The general fund balance increased by \$10.3 million during the current year. This increase is due to stronger than expected collections in licenses and permits and hotel and meals tax revenue categories. Another contributing factor was, with the exception of snow and ice, budgetary turn backs of appropriations by departments. Budgetary results are discussed further below.

At the end of the current year, unassigned fund balance of the general fund totaled \$49.5 million, while total fund balance was \$60.4 million. The \$5 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$6 million of assigned fund balance represents amounts that have been encumbered at year-end to meet contractual obligations at year end. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29.6% of total general fund expenditures, while total fund balance represents 36.2% of that same amount.

The Town also maintains a stabilization fund, which has been classified within the unassigned general fund balance in the governmental funds financial statements to remain compliant with GASB 54. The stabilization fund has a year-end balance of \$11.4 million which represents 6.8% of general fund expenditures. The funds can be used for general or capital purposes upon Town Meeting approval.

The public works capital projects fund is used to account for financial resources for the construction, reconstruction, and improvements to roadways, streets, sidewalks, drainage, and other infrastructure. The fund spent \$16.3 million on construction projects, mainly for the new DPW facility. The fund also reported bond proceeds of \$4.2 million, and bond premiums of \$280,000. At the end of the current year, the fund had a surplus of \$6.6 million. These projects are being funded by a combination of bonds, local revenues and grants.

General Fund Budgetary Highlights

The original 2022 budget consisted of approximately \$168.3 million in appropriations and other amounts to be raised. The final general fund appropriation budget totaled \$171.1 million, which included \$11.4 million in encumbrances and articles that were carried over from the prior year. The final budget increased by \$2.7 million from the original approved budget which was primarily due to an additional \$500,000 raised in the tax rate for departmental operating costs, \$1.6 million use in free cash for transfers to reserves and operating capital, and \$612,000 transferred in from other funds to support the operating budget.

General fund revenues came in over budget by \$7.3 million. The majority of this surplus, \$4.1 million, was generated from licenses and permits, largely due to building permit revenue, and \$1.8 million related to hotel/motel and meals tax which decreased significantly in the prior year due to the COVID-19 pandemic. Fiscal year 2022 revenues were consistent with years prior to the pandemic.

General fund expenditures and encumbrances were lower than final budget by \$6 million (3.5%), with the majority of the turnback occurring in the employee benefits and the education funds which turned back \$1.9 million and \$2.2 million, respectively. Of the employee benefits turn back, \$500,000 related to the use of one time grant funds from the American Rescue Plan Act (ARPA).

Capital Asset and Debt Administration

Major capital additions during the period included the DPW/Recreation facility, building improvements, purchase of vehicles and equipment, water and sewer projects, and various infrastructure improvements. At June 30, 2022, the Town's investment in capital assets totaled \$210.8 million.

In conjunction with the annual operating budget the Town annually prepares a capital budget for the upcoming year and a five year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

The Town has a "AAA" bond rating from Standard and Poor's Ratings Services. The Town continues to maintain strong market access for both note and bond sales. During the current year the Town issued \$4.2 million in bonds and paid down \$3.9 million in principal payments. At the end of the year the Town had total bonded debt outstanding of \$75.7 million of which \$29.3 million was related to the new DPW facility, \$13.9 million was related to school projects, \$2.4 million was related to the water treatment facility, \$4.5 million was related to road construction, \$4.6 million was related to water and sewer construction, \$7.9 million was related to the fire station remodeling, and the balance of \$13.2 million was related to various other capital projects. The \$72.8 was classified as general obligation debt and is backed by the full faith and credit of the Town.

At June 30, 2022, the Town had \$13.4 million of short term bond anticipation notes outstanding. The debt related to water and sewer infrastructure as well as public safety network upgrades.

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

Requests for Information

This financial report is designed to provide a general overview of the Town of Burlington's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, 29 Center Street, Burlington, MA 01803.

Basic Financial Statements

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STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 106,419,919
Investments.....	20,117,891
Receivables, net of allowance for uncollectibles:	
Real estate and personal property taxes.....	1,337,989
Tax liens.....	1,309,459
Motor vehicle and other excise taxes.....	164,493
Water and Sewer fees.....	3,101,816
Departmental and other.....	690,507
Intergovernmental.....	1,092,064
Tax foreclosures.....	91,842
Total current assets.....	<u>134,325,980</u>
NONCURRENT:	
Capital assets, nondepreciable.....	73,948,403
Capital assets, net of accumulated depreciation.....	<u>136,870,747</u>
Total noncurrent assets.....	<u>210,819,150</u>
TOTAL ASSETS.....	<u>345,145,130</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions.....	9,182,570
Deferred outflows related to other postemployment benefits.....	<u>2,380,667</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>11,563,237</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	6,258,467
Accrued payroll.....	6,271,072
Health claims payable.....	1,543,306
Tax refunds payable.....	3,093,000
Accrued interest.....	1,230,956
Other liabilities.....	1,368,503
Unearned revenue.....	3,277,526
Compensated absences.....	3,371,000
Workers' compensation.....	605,000
Notes payable.....	13,440,000
Long-term debt.....	<u>4,678,763</u>
Total current liabilities.....	<u>45,137,593</u>
NONCURRENT:	
Compensated absences.....	3,637,000
Net pension liability.....	118,806,981
Net OPEB liability.....	107,530,193
Long-term debt.....	<u>76,519,610</u>
Total noncurrent liabilities.....	<u>306,493,784</u>
TOTAL LIABILITIES.....	<u>351,631,377</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes paid in advance.....	99,337
Deferred inflows related to pensions.....	20,534,539
Deferred inflows related to other postemployment benefits.....	<u>3,019,100</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>23,652,976</u>
NET POSITION	
Net investment in capital assets.....	135,757,762
Restricted for:	
Permanent funds:	
Expendable.....	499,606
Nonexpendable.....	714,371
Gifts and grants.....	4,663,860
Unrestricted.....	<u>(160,211,585)</u>
TOTAL NET POSITION.....	<u>\$ (18,575,986)</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
Primary Government:						
Governmental Activities:						
General government.....	\$ 12,044,785	\$ 2,580,757	\$ 174,789	\$ -	\$ (9,289,239)	
Public safety.....	31,733,925	9,278,396	239,362	12,887	(22,203,280)	
Education.....	102,899,408	4,898,001	21,730,678	-	(76,270,729)	
Public works.....	19,806,492	462,942	97,352	1,095,642	(18,150,556)	
Human services.....	3,000,888	375,994	211,706	-	(2,413,188)	
Water and sewer.....	11,032,363	10,180,893	-	652,530	(198,940)	
Culture and recreation.....	6,220,841	930,069	160,236	-	(5,130,536)	
Interest.....	1,901,504	-	-	-	(1,901,504)	
Total Primary Government.....	\$ 188,640,206	\$ 28,707,052	\$ 22,614,123	\$ 1,761,059	\$ (135,557,972)	

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Primary Government
	Governmental Activities
Changes in net position:	
Net (expense) revenue from previous page..... \$	(135,557,972)
<i>General revenues:</i>	
Real estate and personal property taxes, net of tax refunds payable.....	128,284,211
Tax and other liens.....	633,488
Motor vehicle and other excise taxes.....	4,303,954
Hotel/motel and meals taxes.....	4,269,708
Penalties and interest on taxes.....	598,877
Payments in lieu of taxes.....	524,688
Grants and contributions not restricted to specific programs.....	3,084,725
Unrestricted investment income.....	1,164,386
Total general revenues.....	142,864,037
Change in net position.....	7,306,065
<i>Net position:</i>	
Beginning of year.....	(25,882,051)
End of year..... \$	(18,575,986)
See notes to basic financial statements.	(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2022

	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 59,330,326	\$ 21,194,322	\$ 19,945,810	\$ 100,470,458
Investments.....	11,864,368	-	1,027,373	12,891,741
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	1,337,989	-	-	1,337,989
Tax liens.....	1,309,459	-	-	1,309,459
Motor vehicle and other excise taxes.....	164,493	-	-	164,493
Water and sewer fees.....	3,101,816	-	-	3,101,816
Departmental and other.....	149,250	-	414,344	563,594
Intergovernmental.....	-	-	1,092,064	1,092,064
Tax foreclosures.....	91,842	-	-	91,842
TOTAL ASSETS.....	\$ 77,349,543	\$ 21,194,322	\$ 22,479,591	\$ 121,023,456
LIABILITIES				
Warrants payable.....	\$ 1,481,739	\$ 2,405,983	\$ 2,370,571	\$ 6,258,293
Accrued payroll.....	6,222,513	-	48,559	6,271,072
Tax refunds payable.....	3,093,000	-	-	3,093,000
Other liabilities.....	98,669	-	938,277	1,036,946
Unearned revenue.....	-	-	3,277,526	3,277,526
Notes payable.....	-	12,200,000	1,240,000	13,440,000
TOTAL LIABILITIES.....	10,895,921	14,605,983	7,874,933	33,376,837
DEFERRED INFLOWS OF RESOURCES				
Taxes paid in advance.....	99,337	-	-	99,337
Unavailable revenue.....	5,931,361	-	1,506,408	7,437,769
TOTAL DEFERRED INFLOWS OF RESOURCES.....	6,030,698	-	1,506,408	7,537,106
FUND BALANCES				
Nonspendable.....	-	-	714,371	714,371
Restricted.....	-	6,588,339	12,876,289	19,464,628
Committed.....	5,008,187	-	-	5,008,187
Assigned.....	5,963,417	-	-	5,963,417
Unassigned.....	49,451,320	-	(492,410)	48,958,910
TOTAL FUND BALANCES.....	60,422,924	6,588,339	13,098,250	80,109,513
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 77,349,543	\$ 21,194,322	\$ 22,479,591	\$ 121,023,456

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2022

Total governmental fund balances.....	\$ 80,109,513
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	210,819,150
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	7,437,769
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....	(11,990,402)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	11,427,487
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(1,230,956)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Long-term debt.....	(81,198,373)
Net pension liability.....	(118,806,981)
Net OPEB liability.....	(107,530,193)
Workers' compensation.....	(605,000)
Compensated absences.....	(7,008,000)
Net effect of reporting long-term liabilities.....	(315,148,547)
Net position of governmental activities.....	\$ (18,575,986)

See notes to basic financial statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 127,295,791	\$ -	\$ -	\$ 127,295,791
Tax liens.....	899,521	-	-	899,521
Motor vehicle and other excise taxes.....	4,399,008	-	-	4,399,008
Hotel/motel and meals taxes.....	4,269,708	-	-	4,269,708
Water and sewer charges.....	10,487,564	-	-	10,487,564
Ambulance.....	775,580	-	-	775,580
Penalties and interest on taxes.....	598,877	-	-	598,877
Fees and rentals.....	542,603	-	-	542,603
Payments in lieu of taxes.....	524,688	-	-	524,688
Licenses and permits.....	5,086,767	-	-	5,086,767
Intergovernmental - Teachers Retirement.....	9,324,000	-	-	9,324,000
Intergovernmental.....	10,267,820	-	7,657,680	17,925,500
Departmental and other.....	1,074,925	-	10,203,130	11,278,055
Contributions and donations.....	-	-	69,599	69,599
Investment income.....	765,385	-	23,925	789,310
Miscellaneous.....	583,851	-	319,467	903,318
TOTAL REVENUES.....	176,896,088	-	18,273,801	195,169,889
EXPENDITURES:				
Current:				
General government.....	6,093,665	-	2,570,087	8,663,752
Public safety.....	19,241,331	-	3,224,428	22,465,759
Education.....	70,393,281	-	8,410,569	78,803,850
Public works.....	10,798,036	16,312,399	1,286,272	28,396,707
Water and sewer.....	9,962,820	-	2,477,158	12,439,978
Human services.....	1,793,601	-	210,597	2,004,198
Culture and recreation.....	3,654,604	-	874,242	4,528,846
Pension benefits.....	11,757,449	-	-	11,757,449
Pension benefits - Teachers Retirement.....	9,324,000	-	-	9,324,000
Employee benefits.....	16,037,835	-	-	16,037,835
State and county charges.....	1,093,522	-	-	1,093,522
Debt service:				
Principal.....	4,197,855	-	65,000	4,262,855
Interest.....	2,489,311	-	24,375	2,513,686
TOTAL EXPENDITURES.....	166,837,310	16,312,399	19,142,728	202,292,437
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	10,058,778	(16,312,399)	(868,927)	(7,122,548)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....	-	4,220,000	-	4,220,000
Premium from issuance of bonds.....	180,972	280,001	-	460,973
Transfers in.....	98,054	-	62,001	160,055
Transfers out.....	(50,000)	-	(110,055)	(160,055)
TOTAL OTHER FINANCING SOURCES (USES).....	229,026	4,500,001	(48,054)	4,680,973
NET CHANGE IN FUND BALANCES.....	10,287,804	(11,812,398)	(916,981)	(2,441,575)
FUND BALANCES AT BEGINNING OF YEAR.....	50,135,120	18,400,737	14,015,231	82,551,088
FUND BALANCES AT END OF YEAR.....	\$ 60,422,924	\$ 6,588,339	\$ 13,098,250	\$ 80,109,513

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds.....		\$ (2,441,575)
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.....	21,471,253	
Depreciation expense.....	<u>(8,754,985)</u>	
Net effect of reporting capital assets.....		12,716,268
Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....		
		401,306
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.		
Issuance of bonds.....	(4,220,000)	
Premium from issuance of bonds.....	(460,973)	
Net amortization of premium from issuance of bonds.....	622,781	
Debt service principal payments.....	<u>4,262,855</u>	
Net effect of reporting long-term debt.....		204,663
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 compensated absences accrual.....	(383,000)	
Net change in accrued interest on long-term debt.....	(10,599)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(13,986,491)	
Net change in net pension liability.....	14,615,282	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	1,589,589	
Net change in net OPEB liability.....	(4,448,360)	
Net change in workers' compensation liability.....	<u>92,000</u>	
Net effect of recording long-term liabilities.....		(2,531,579)
The net activity of internal service funds is reported with Governmental Activities.....		<u>(1,043,018)</u>
Change in net position of governmental activities.....		<u>\$ 7,306,065</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities - Internal Service Fund
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 5,949,461
Investments.....	7,226,150
Receivables, net of allowance for uncollectibles:	
Departmental and other.....	126,913
TOTAL ASSETS	13,302,524
LIABILITIES	
CURRENT:	
Warrants payable.....	331,731
Health claims payable.....	1,543,306
TOTAL LIABILITIES	1,875,037
NET POSITION	
Unrestricted.....	\$ 11,427,487

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Fund
<u>OPERATING REVENUES:</u>	
Employee contributions.....	\$ 4,786,822
Employer contributions.....	<u>9,770,946</u>
TOTAL OPERATING REVENUES	<u>14,557,768</u>
<u>OPERATING EXPENSES:</u>	
Employee benefits.....	<u>15,975,862</u>
OPERATING INCOME (LOSS).....	(1,418,094)
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Investment income.....	<u>375,076</u>
CHANGE IN NET POSITION.....	(1,043,018)
NET POSITION AT BEGINNING OF YEAR.....	<u>12,470,505</u>
NET POSITION AT END OF YEAR.....	<u>\$ 11,427,487</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from interfund services provided.....	\$ 14,557,768
Payments for interfund services used.....	<u>(15,744,799)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>(1,187,031)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Purchase of investments.....	(251,986)
Investment income.....	<u>375,076</u>
NET CASH FROM INVESTING ACTIVITIES.....	<u>123,090</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(1,063,941)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>7,013,402</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 5,949,461</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ <u>(1,418,094)</u>
Adjustments to reconcile operating income to net cash from operating activities:	
Changes in assets and liabilities:	
Departmental and other.....	(1,514)
Warrants payable.....	8,362
Health claims payable.....	<u>224,215</u>
Total adjustments.....	<u>231,063</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ (1,187,031)</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2022

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ -	\$ 43,414
Investments:		
Investments in Pension Reserve Investment Trust.....	13,549,340	-
TOTAL ASSETS.....	13,549,340	43,414
LIABILITIES		
Warrants payable.....	-	308
NET POSITION		
Restricted for other postemployment benefits.....	13,549,340	-
Held in trust for other purposes.....	-	43,106
TOTAL NET POSITION.....	\$ 13,549,340	\$ 43,106

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2022

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 1,527,493	\$ -
Employer contributions for other postemployment benefit payments.....	5,556,705	-
Private donations.....	-	30,754
	<u>7,084,198</u>	<u>30,754</u>
Total contributions.....		
	<u>7,084,198</u>	<u>30,754</u>
Net investment income:		
Investment income (loss).....	(469,734)	3
Less: investment expense.....	(76,541)	-
	<u>(546,275)</u>	<u>3</u>
Net investment income (loss).....		
	<u>(546,275)</u>	<u>3</u>
TOTAL ADDITIONS.....	<u>6,537,923</u>	<u>30,757</u>
DEDUCTIONS:		
Other postemployment benefit payments.....	5,556,705	-
Educational scholarships.....	-	14,836
	<u>5,556,705</u>	<u>14,836</u>
TOTAL DEDUCTIONS.....		
	<u>5,556,705</u>	<u>14,836</u>
NET INCREASE (DECREASE) IN NET POSITION.....	981,218	15,921
NET POSITION AT BEGINNING OF YEAR.....	<u>12,568,122</u>	<u>27,185</u>
NET POSITION AT END OF YEAR.....	<u>\$ 13,549,340</u>	<u>\$ 43,106</u>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Burlington, Massachusetts (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 Town's significant accounting policies are described herein.

A. Reporting Entity

The Town of Burlington, Massachusetts is a municipal corporation that is governed by an elected Select Board. As required by GAAP, these basic financial statements present the government and its component units, entities for which the Town is considered to be financially accountable.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. The Town has no component units that require inclusion in these basic financial statements.

Joint Ventures

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

The Town is a member of the Shawsheen Valley Technical High School that serves the members' students seeking an education in academic, technical and agriculture studies. Shawsheen Valley Technical High School is governed by a nine-member school committee consisting of two voting appointed representatives from the Town of Burlington. The members' share in the operations of the Shawsheen Valley Technical High School and each member is responsible for its proportionate share of the operational and capital cost of the Shawsheen Technical High School, which are paid in the form of assessments. The Town does not have an equity interest in the Shawsheen Technical High School and the 2022 assessment was \$2,593,065. The School issues a publicly available audited financial report that may be obtained by contacting the School located at 100 Cook Street, Billerica, MA 01821.

B. Government-Wide and Fund Financial Statements***Government-Wide Financial Statements***

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. *Governmental activities* are primarily supported by taxes, charges for services and intergovernmental revenues. The Town does not report any *business-type activities* since the user fees charged are not designed to recover all the costs of providing these services.

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 are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

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

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

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

Internal service funds and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 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:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- 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. The effect of interfund activity has been removed from the government-wide financial statements. However, the effect of

interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

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

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

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

The following major governmental funds are reported:

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

The *public works capital projects fund* is used to account for financial resources for the construction, reconstruction, and improvements to roadways, streets, sidewalks, and other infrastructure.

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

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

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

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

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 proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. The Town accounts for its risk financing activities related to health insurance in the internal service fund.

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

The following fiduciary fund types are reported:

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

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trust activity is accounted for in this fund.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

E. Fair Value Measurements

The 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.

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 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds 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 levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate tax liens are processed by the last day in September following the last billing cycle on delinquent properties. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed. 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.

Motor Vehicle Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the 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 Fees

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer liens are processed in December of every year and included as a lien on the property owner's tax bill. Water and sewer fees and liens are recorded as receivables in the 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.

The revenue generated by the water rates is designed to cover all operation and maintenance costs associated with the production of water, maintenance of water facilities and operation and maintenance of the water main infrastructure. The revenue generated by the sewer rates is designed to cover the costs of the Massachusetts Water Resources Authority (MWRA) assessment.

Both water and sewer capital costs are funded through other general fund revenues and debt issuances.

Departmental and Other

Departmental and other receivables consist primarily of police and fire details, and ambulance fees are recorded as receivables in the year accrued. The allowance of 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 recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

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

G. Inventories***Government-Wide and Fund Financial Statements***

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

H. Capital Assets***Government-Wide Financial Statements***

Capital assets, which include land, construction in progress, land improvements, buildings, machinery and equipment, vehicles, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the government-wide financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets; donated works of art, historical treasures, and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value.

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

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	20
Buildings.....	40
Buildings and improvements.....	20-40
Machinery and equipment.....	5-10
Vehicles.....	5-20
Infrastructure.....	20-50

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

Governmental Fund Financial Statements

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

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

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

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

Net position has been "restricted for" the following:

"Permanent funds – nonexpendable" represents the endowment portion of donor-restricted trusts that support governmental programs.

“Permanent funds – expendable” represents the amount of realized and unrealized investment earnings of donor-restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

“Gifts and grants” represents restrictions placed on assets from outside parties such as gifts, and state and federal grants.

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority. Town Meeting is the high level of decision-making authority that can, by adoption of a Town Meeting warrant article, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by management and exist until the purpose of the assignment has either been satisfied or management removes the assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

M. 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. Long-term debt payable is reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

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

N. Pensions

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

O. Investment Income

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

P. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

Q. Use of Estimates*Government-Wide and Fund Financial Statements*

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

R. Total Column*Fund Financial Statements*

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

S. Fund Deficits

An individual fund deficit existed at June 30, 2022, in the nonmajor Town capital projects fund. The deficit will be funded by future bond proceeds.

NOTE 2 – CASH AND INVESTMENTS

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under Massachusetts General Laws.

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

MMDT maintains a cash portfolio with a weighted average maturity of 27 days.

The effective weighted duration rate for PRIT investments ranged from 1.33 to 15.12 years.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that, in the event of a bank failure, the Town's deposits may not be returned. At year-end, the carrying amount of deposits totaled \$97,155,653 and the bank balance totaled \$98,984,970. Of the bank balance, \$2,292,456 was covered by Federal Depository Insurance, \$322,755 was covered by DIF insurance, \$70,166,272 was collateralized, and \$26,203,487 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town has not adopted a formal investment policy related to custodial credit risk of deposits.

Investments

As of June 30, 2022, the Town had the following investments:

Investment Type	Fair value	Maturities			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
<u>Debt securities:</u>					
U.S. treasury bonds.....	\$ 4,618,204	\$ 776,602	\$ 2,939,031	\$ 902,571	\$ -
Government sponsored enterprises.....	2,223,469	588,520	1,229,528	150,495	254,926
Corporate bonds.....	<u>2,476,673</u>	<u>787,643</u>	<u>1,322,491</u>	<u>366,539</u>	<u>-</u>
Total debt securities.....	9,318,346	<u>\$ 2,152,765</u>	<u>\$ 5,491,050</u>	<u>\$ 1,419,605</u>	<u>\$ 254,926</u>
<u>Other investments:</u>					
Equity securities.....	7,856,777				
Fixed income.....	2,942,768				
Money market mutual funds.....	270,715				
Pension Reserve Investment Trust (PRIT).....	13,549,340				
MMDT - Cash portfolio.....	<u>9,036,965</u>				
Total investments.....	\$ 42,974,911				

Custodial Credit Risk – Investments

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 the possession of an outside party. The Town's investments in debt securities and equity securities all have custodial credit risk exposure because the related securities are uninsured, unregistered and are not held in the Town's name. The shares of MMDT are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book-entry form.

The Town has not adopted a formal investment policy related to custodial credit risk for investments.

Interest Rate Risk

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 for most investment types.

The Town's investment policy regarding repurchase agreements is as follows; utilize repurchase agreements only on a limited basis and then only with major Massachusetts financial institutions when no other more favorable action is possible and then only of a duration of no more than three days.

Credit Risk

The Town's formal investment policy regarding credit risk states the Treasurer shall subscribe to information reports from a recognized bank rating company. Direct investment in an institution shall be restricted to those ranked in the upper half of rating categories utilized by said company unless the Treasurer obtains additional adequate security for the investment or otherwise determines and documents in writing that the rating provided does not properly reflect the strength of the institution. Maintenance of disbursement or other types of accounts at institutions below a mid-range rating shall be limited, to the maximum extent possible, to a balance below \$100,000. When the rating falls to a "warning stage" or when more than one-half of an institution's capital and surplus has been lost in a 12-month period, any accounts shall be closed forthwith.

At June 30, 2022, the Town's investments were rated as follows:

<u>Quality Rating</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>
AA+.....	\$ 2,223,469	\$ -
AA-.....	-	342,196
A.....	-	366,539
A-.....	-	719,796
BBB+.....	-	1,048,142
Total.....	\$ <u>2,223,469</u>	\$ <u>2,476,673</u>

Investments in MMDT and PRIT are unrated.

Concentration of Credit Risk

The Town has adopted a policy on the amount that may be invested in any one issuer. The policy is as follows; investment in a single institution may not exceed 10% of the institution's capital and surplus position as of the most recent quarterly data available to the Treasurer, nor may any investment in a single institution (other than MMDT) exceed 35% of the Treasurer's cash balance at any time. Up to 100% of available cash may be invested in the State's Treasurer's pooled fund.

As of June 30, 2022, the Town did not have more than 5% of its investments in any one individual security.

Fair 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 major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

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

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

Investment Type	June 30, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury bonds.....	\$ 4,618,204	\$ 4,618,204	\$ -	\$ -
Government sponsored enterprises.....	2,223,469	2,223,469	-	-
Corporate bonds.....	2,476,673	-	2,476,673	-
Total debt securities.....	9,318,346	6,841,673	2,476,673	-
<u>Other investments:</u>				
Equity securities.....	7,856,777	7,856,777	-	-
Fixed income.....	2,942,768	2,942,768	-	-
Money market mutual funds.....	270,715	270,715	-	-
Total other investments.....	11,070,260	11,070,260	-	-
Total investments measured at fair value.....	20,388,606	\$ 17,911,933	\$ 2,476,673	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	9,036,965			
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT).....	13,549,340			
Total investments.....	\$ 42,974,911			

Government sponsored enterprises, U.S. treasury bonds, fixed income, equity securities 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 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. The Town does not have investments classified in Level 3.

PRIT investments are valued using the net asset value method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The Town does not have the ability to control any of the investment decisions relative to its funds in PRIT.

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.

NOTE 3 – RECEIVABLES

At June 30, 2022, receivables for the individual major governmental funds and nonmajor and internal service fund in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes..... \$	1,701,769	\$ (363,780)	\$ 1,337,989
Tax liens.....	1,309,459	-	1,309,459
Motor vehicle and other excise taxes.....	621,493	(457,000)	164,493
Water and sewer fees.....	3,101,816	-	3,101,816
Departmental and other.....	1,316,707	(626,200)	690,507
Intergovernmental.....	1,092,064	-	1,092,064
Total..... \$	<u>9,143,308</u>	<u>\$ (1,446,980)</u>	<u>\$ 7,696,328</u>

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

	General Fund	Other Governmental Funds	Total
<u>Receivables and other asset type:</u>			
Real estate and personal property taxes..... \$	1,219,392	\$ -	\$ 1,219,392
Tax liens.....	1,303,920	-	1,303,920
Motor vehicle and other excise taxes.....	164,493	-	164,493
Water and sewer fees.....	3,101,801	-	3,101,801
Departmental and other.....	149,250	414,344	563,594
Intergovernmental.....	-	1,092,064	1,092,064
Tax foreclosures.....	91,842	-	91,842
Total..... \$	<u>6,030,698</u>	<u>\$ 1,506,408</u>	<u>\$ 7,537,106</u>

NOTE 4 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 18,595,910	\$ -	\$ -	\$ 18,595,910
Construction in progress.....	40,659,944	20,376,931	(5,684,382)	55,352,493
Total capital assets not being depreciated....	59,255,854	20,376,931	(5,684,382)	73,948,403
<u>Capital assets being depreciated:</u>				
Land improvements.....	8,456,461	50,000	-	8,506,461
Buildings.....	93,766,400	-	-	93,766,400
Buildings and improvements.....	40,419,340	1,724,000	-	42,143,340
Machinery and equipment.....	14,829,163	1,024,666	(41,560)	15,812,269
Vehicles.....	13,872,443	312,029	(208,282)	13,976,190
Infrastructure.....	145,093,482	3,668,009	-	148,761,491
Total capital assets being depreciated.....	316,437,289	6,778,704	(249,842)	322,966,151
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(4,506,569)	(259,815)	-	(4,766,384)
Buildings.....	(43,347,512)	(1,691,714)	-	(45,039,226)
Buildings and improvements.....	(24,320,997)	(1,400,881)	-	(25,721,878)
Machinery and equipment.....	(10,390,251)	(1,139,387)	41,560	(11,488,078)
Vehicles.....	(8,300,432)	(941,525)	208,282	(9,033,675)
Infrastructure.....	(86,724,500)	(3,321,663)	-	(90,046,163)
Total accumulated depreciation.....	(177,590,261)	(8,754,985)	249,842	(186,095,404)
Total capital assets being depreciated, net.....	138,847,028	(1,976,281)	-	136,870,747
Total governmental activities capital assets, net.....	\$ 198,102,882	\$ 18,400,650	\$ (5,684,382)	\$ 210,819,150

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

Governmental Activities:	
General government.....	\$ 906,843
Public safety.....	648,936
Education.....	2,651,998
Public works.....	4,069,416
Human services.....	10,386
Culture and recreation.....	467,406
Total depreciation expense - governmental activities.....	\$ 8,754,985

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022, are summarized as follows:

Transfers Out:	Transfers In:			
	General fund	Nonmajor governmental funds	Total	
General fund.....	\$ -	\$ 50,000	\$ 50,000	(1)
Nonmajor governmental funds.....	98,054	12,001	110,055	(2)
Total.....	\$ 98,054	\$ 62,001	\$ 160,055	

(1) Represents a budgeted transfer from the general fund to the nonmajor transportation revolving fund.

(2) Represents transfers from the nonmajor revolving funds to the general fund, as well as a transfer from the nonmajor ride share fund to the nonmajor transportation revolving fund.

NOTE 6 – SHORT-TERM FINANCING

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

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

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

Details related to the short-term debt activity for the year ended June 30, 2022, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2021	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2022
BAN	Municipal Purpose.....	1.50%	06/22/22	\$ 3,000,000	\$ -	\$ (3,000,000)	\$ -
BAN	Municipal Purpose.....	1.50%	06/22/22	3,500,000	-	(3,500,000)	-
BAN	Municipal Purpose.....	3.00%	04/28/23	-	13,440,000	-	13,440,000
Total Governmental Funds.....				\$ 6,500,000	\$ 13,440,000	\$ (6,500,000)	\$ 13,440,000

NOTE 7 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

Details related to the outstanding general obligation indebtedness at June 30, 2022, and the debt service requirements are as follows:

Long-Term Debt Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021	Issued	Redeemed	Outstanding at June 30, 2022
Municipal Purpose Bonds of 2012.....	2042	\$ 12,200,000	2.00 - 5.00	\$ 475,000	\$ -	\$ 475,000	\$ -
Municipal Purpose Bonds of 2013.....	2042	13,976,000	2.00 - 4.00	11,260,000	-	395,000	10,865,000
Municipal Purpose Bonds of 2016.....	2036	11,270,000	2.00 - 5.00	7,365,000	-	780,000	6,585,000
Municipal Purpose Bonds of 2018.....	2047	12,860,000	3.00 - 5.00	11,985,000	-	335,000	11,650,000
Municipal Purpose Bonds of 2020.....	2050	15,644,975	2.00 - 5.00	15,177,475	-	310,000	14,867,475
Municipal Purpose Refunding of 2020.....	2027	5,127,525	4.00 - 5.00	5,127,525	-	585,000	4,542,525
Municipal Purpose Bonds of 2021.....	2051	14,848,000	2.00 - 5.00	14,848,000	-	455,000	14,393,000
Municipal Purpose Refunding of 2021.....	2036	5,737,000	2.00 - 5.00	5,737,000	-	50,000	5,687,000
Municipal Purpose Bonds of 2022.....	2042	4,220,000	3.37 - 5.00	-	4,220,000	-	4,220,000
Subtotal Governmental General Obligation Bonds Payable.....				71,975,000	4,220,000	3,385,000	72,810,000
Massachusetts Clean Water Trust 2007.....	2027	7,797,482	2.00	2,679,093	-	424,490	2,254,603
Massachusetts Clean Water Trust 2008.....	2028	300,000	2.00	119,058	-	16,005	103,053
Massachusetts Water Resource Authority 2017.....	2027	224,750	0.00	134,850	-	22,475	112,375
Massachusetts Water Resource Authority 2019.....	2029	277,500	0.00	222,000	-	27,750	194,250
Massachusetts Water Resource Authority 2021.....	2031	277,500	0.00	277,500	-	27,750	249,750
Subtotal Governmental Direct Borrowings Payable.....				3,432,501	-	518,470	2,914,031
Capital Financing 2021.....	2025	1,995,134	2.65	1,495,697	-	359,385	1,136,312
Long-Term Debt Payable.....				76,903,198	4,220,000	4,262,855	76,860,343
Add: Unamortized Premium on Bonds.....				4,499,838	460,973	622,781	4,338,030
Total Long-Term Debt Payable, net.....				\$ 81,403,036	\$ 4,680,973	\$ 4,885,636	\$ 81,198,373

Debt service requirements for principal and interest for governmental general obligation bonds, direct borrowings, and capital financing payable in future years was as follows:

Year	General Obligation Bonds:			Direct Borrowings and Capital Financing:		
	Principal	Interest	Total	Principal	Interest	Total
2023.....	\$ 3,285,000	\$ 2,534,883	\$ 5,819,883	\$ 896,277	\$ 72,771	\$ 969,048
2024.....	3,355,000	2,353,400	5,708,400	915,132	53,917	969,049
2025.....	3,410,000	2,197,099	5,607,099	934,430	34,619	969,049
2026.....	3,160,000	2,043,162	5,203,162	555,159	14,869	570,028
2027.....	3,185,000	1,895,877	5,080,877	564,799	5,229	570,028
2028.....	3,130,000	1,747,340	4,877,340	73,546	180	73,726
2029.....	3,200,000	1,604,965	4,804,965	55,500	-	55,500
2030.....	3,200,000	1,466,390	4,666,390	27,750	-	27,750
2031.....	3,015,000	1,334,565	4,349,565	27,750	-	27,750
2032.....	2,965,000	1,218,275	4,183,275	-	-	-
2033.....	2,990,000	1,117,332	4,107,332	-	-	-
2034.....	3,015,000	1,024,985	4,039,985	-	-	-
2035.....	3,060,000	940,913	4,000,913	-	-	-
2036.....	2,880,000	857,024	3,737,024	-	-	-
2037.....	2,345,000	780,898	3,125,898	-	-	-
2038.....	2,410,000	716,600	3,126,600	-	-	-
2039.....	2,470,000	649,345	3,119,345	-	-	-
2040.....	2,540,000	579,429	3,119,429	-	-	-
2041.....	2,605,000	506,278	3,111,278	-	-	-
2042.....	2,340,000	449,066	2,789,066	-	-	-
2043.....	1,750,000	373,538	2,123,538	-	-	-
2044.....	1,795,000	325,337	2,120,337	-	-	-
2045.....	1,840,000	275,863	2,115,863	-	-	-
2046.....	1,895,000	224,231	2,119,231	-	-	-
2047.....	1,955,000	180,501	2,135,501	-	-	-
2048.....	1,910,000	108,250	2,018,250	-	-	-
2049.....	1,200,000	74,682	1,274,682	-	-	-
2050.....	1,230,000	45,714	1,275,714	-	-	-
2051.....	675,000	15,188	690,188	-	-	-
Total.....	\$ 72,810,000	\$ 27,641,130	\$ 100,451,130	\$ 4,050,343	\$ 181,585	\$ 4,231,928

The Massachusetts Water Resource Authority (MWRA) operates an infiltration/inflow financial assistance program for community owned collection systems. For each community approved for the project, financial assistance received from the MWRA consists of a grant and non-interest-bearing loan. The loan portion is payable in ten equal annual installments. At June 30, 2022, the outstanding principal amount of these loans totaled \$556,375.

The Town implemented GASB Statement #87, Leases in the year ended June 30, 2022. Capital leases previously reported as long-term leases have been reclassified as capital financing long-term debt this year.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2022, the Town had the following authorized and unissued debt:

Purpose	Amount
Fire station construction.....	\$ 225,000
MWRA.....	4,600,000
Phase 2 MWRA water connection.....	5,900,000
Water main improvements.....	1,500,000
Mill pond PFAS filter addition.....	10,800,000
Total.....	<u>\$ 23,025,000</u>

Changes in Long-term Liabilities

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

	Beginning Balance	Long-term Debt Issued	Long-term Debt Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 71,975,000	\$ 4,220,000	\$ (3,385,000)	\$ -	\$ -	\$ 72,810,000	\$ 3,285,000
Long-term direct borrowing payable.....	3,432,501	-	(518,470)	-	-	2,914,031	527,369
Capital financing payable.....	1,495,697	-	(359,385)	-	-	1,136,312	368,908
Add: Unamortized premium on bonds.....	4,499,838	460,973	(622,781)	-	-	4,338,030	497,486
Total long-term debt payable.....	81,403,036	4,680,973	(4,885,636)	-	-	81,198,373	4,678,763
Compensated absences.....	6,625,000	-	-	3,747,000	(3,364,000)	7,008,000	3,371,000
Workers' compensation.....	697,000	-	-	605,000	(697,000)	605,000	605,000
Net pension liability.....	133,422,263	-	-	5,859,614	(20,474,896)	118,806,981	-
Net other postemployment benefits.....	103,081,833	-	-	11,532,558	(7,084,198)	107,530,193	-
Total governmental activity long-term liabilities.....	<u>\$ 325,229,132</u>	<u>\$ 4,680,973</u>	<u>\$ (4,885,636)</u>	<u>\$ 21,744,172</u>	<u>\$ (31,620,094)</u>	<u>\$ 315,148,547</u>	<u>\$ 8,654,763</u>

Compensated absence liabilities, workers' compensation, net pension liabilities, and other postemployment benefit liabilities related to governmental activities are normally paid from the general fund.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town has adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Types Definitions*. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classification and the constraints imposed on the uses of those resources.

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

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

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

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

Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund required a two-thirds vote of the legislative body. At year-end, the balance of the general stabilization fund was \$11.4 million and is reported as unassigned fund balance within the general fund.

As of June 30, 2022, the governmental fund balances are presented on the following page.

	General	Public Works Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal..... \$	- \$	- \$	714,371 \$	714,371 \$
Restricted for:				
Public works capital projects.....	-	6,588,339	-	6,588,339
Town revolving funds.....	-	-	4,702,957	4,702,957
School revolving funds.....	-	-	3,137,932	3,137,932
Town gifts.....	-	-	433,079	433,079
School gifts.....	-	-	39,234	39,234
School activity programs.....	-	-	199,442	199,442
Federal grants.....	-	-	210,603	210,603
State & local grants.....	-	-	2,888,880	2,888,880
Special purposes funds.....	-	-	723,500	723,500
School capital projects.....	-	-	41,056	41,056
Town libraries.....	-	-	940	940
Cemetery perpetual care.....	-	-	498,666	498,666
Committed to:				
Articles and continuing appropriations:				
Town administration/select board.....	131,974	-	-	131,974
Assessors.....	345,065	-	-	345,065
Management information systems.....	68,000	-	-	68,000
Planning board.....	99,726	-	-	99,726
Police department.....	103,406	-	-	103,406
Fire department.....	302,140	-	-	302,140
Education.....	2,039,238	-	-	2,039,238
Public works.....	1,799,037	-	-	1,799,037
Recreation.....	119,601	-	-	119,601
Assigned to:				
Town administration/select board.....	6,074	-	-	6,074
Accounting.....	1,500	-	-	1,500
Assessors.....	31,250	-	-	31,250
Treasurer/collector.....	7,000	-	-	7,000
Central administration.....	11,470	-	-	11,470
Legal.....	10,575	-	-	10,575
Human resources.....	441	-	-	441
Management information systems.....	9,340	-	-	9,340
Planning board.....	16,676	-	-	16,676
Negotiated settlements.....	259,718	-	-	259,718
Police department.....	94,123	-	-	94,123
Fire department.....	68,855	-	-	68,855
Building department.....	481	-	-	481
Emergency management service.....	9,715	-	-	9,715
Education.....	2,220,986	-	-	2,220,986
Public works.....	787,565	-	-	787,565
Rubbish and garbage.....	110,000	-	-	110,000
Street light.....	10,000	-	-	10,000
Board of health.....	4,599	-	-	4,599
Youth and family services.....	2,000	-	-	2,000
Recreation.....	49,758	-	-	49,758
Historical commission.....	5,081	-	-	5,081
Employee benefits.....	83,710	-	-	83,710
Fiscal year 2023 capital budget.....	2,162,500	-	-	2,162,500
Unassigned.....	49,451,320	-	(492,410)	48,958,910
Total Fund Balances..... \$	<u>60,422,924</u>	<u>\$ 6,588,339</u>	<u>\$ 13,098,250</u>	<u>\$ 80,109,513</u>

NOTE 9 – PENSION PLAN*Plan Descriptions*

The Town is a member of the Middlesex County Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the member units. The system is administered by the Middlesex Retirement Board (the "Board") on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://middlesexretirement.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 requirement of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, education 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/>.

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, 2021. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$9,324,000 is reported in the general fund as intergovernmental revenue and pension expense in the current year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$116,186,962 as of the measurement date.

Benefits Provided

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

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

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System. There were no changes in pension benefits since the last measurement date.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the System a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution, which equaled its actual contribution for the year ended June 30, 2022, was \$11,757,449 and 31.28% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2022, the Town reported a liability of \$118,806,981 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. The Town's proportionate share 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, 2021, the Town's proportion was 8.86%, which was an increase of 0.15% from the last measurement date.

Pension Expense

For the year ended June 30, 2022, the Town recognized a pension expense of \$11,128,658. At June 30, 2022, the Town reported deferred outflows and inflows of resources related to pensions as follows:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 2,024,769	\$ -	\$ 2,024,769
Difference between projected and actual earnings, net.....	-	(20,200,517)	(20,200,517)
Changes in assumptions.....	4,230,305	-	4,230,305
Changes in proportion and proportionate share of contributions...	2,927,496	(334,022)	2,593,474
Total deferred outflows/(inflows) of resources.....	\$ <u>9,182,570</u>	\$ <u>(20,534,539)</u>	\$ <u>(11,351,969)</u>

The Town's net deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023.....	\$	(1,067,956)
2024.....		(3,118,396)
2025.....		(4,176,403)
2026.....		<u>(2,989,214)</u>
Total.....	\$	<u>(11,351,969)</u>

Actuarial Assumptions

The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2021.

Valuation date.....	January 1, 2022
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Prior year's total contribution increased by 6.50% for fiscal 2022 through fiscal 2028, and thereafter the remaining unfunded liability will be amortized on a 4.00% annual increasing basis; ERI liability amortized in level payments.
Remaining amortization period.....	17 years from July 1, 2020 for non-ERI liability, and 2 years from July 1, 2020 for 2010 ERI.
Asset valuation method.....	The difference between the expected return and the actual investment return on a fair value basis is recognized over a five year period. Asset value is adjusted as necessary to be within 20% of the fair value.
Investment rate of return/Discount rate.....	7.15%, previously 7.30%.
Inflation rate.....	3.25%
Projected salary increases.....	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4.
Cost of living adjustments.....	3.00% of the first \$16,000 of retirement income.
Mortality rates:	
Pre-Retirement.....	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Healthy Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

Investment Policy

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	22.00%	6.11%
International developed markets equity.....	11.50%	6.49%
International emerging markets equity.....	4.50%	8.12%
Core fixed income.....	15.00%	0.38%
High-yield fixed income.....	8.00%	2.48%
Real estate.....	10.00%	3.72%
Timber.....	4.00%	3.44%
Hedge funds, GTAA, risk parity.....	10.00%	2.63%
Private equity.....	15.00%	9.93%
Total.....	100.00%	

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 19.86%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amount actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% at December 31, 2021 and 7.30% at December 31, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.15% as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount (7.15%)	1% Increase (8.15%)
The Town's proportionate share of the net pension liability	\$ 153,680,744	\$ 118,806,981	\$ 89,435,333

Pension Plan Fiduciary Net Position

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

Changes in Assumptions

- The net investment return assumption was lowered from 7.30% to 7.15%.
- The mortality projection scale was updated from MP-2017 to MP-2021.

Changes in Plan Provisions

- None.

NOTE 10 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous four years.

The Town is self-insured for approximately 90% of its health insurance and 100% of its workers' compensation activities. The self-insured health insurance activities are accounted for in the internal service fund. Workers' compensation activities are accounted for in the general fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR) that includes non-incremental claims adjustments. The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends, and other economic and social factors.

Health Insurance

Approximately 10% of the Town's health insurance activities are premium based plans. The remaining 90% of employee health insurance claims are administered by a third party administrator and were funded from the Town's internal service fund. The Town purchases individual stop loss insurance for claims in excess of the \$100,000 coverage. The estimate of IBNR claims is based on a historical trend analysis and recent trends and represents approximately 1.2 months of average claims experience.

		Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End Currently Due
2021.....	\$	1,440,843	\$	14,193,602	\$	(14,315,354)	\$	1,319,091
2022.....		1,319,091		15,949,279		(15,725,064)		1,543,306

Workers' Compensation

Workers' compensation claims are administered by a third-party administrator and are funded on a pay-as-you-go basis from annual appropriations. The Town estimates its IBNR claims based on history and injury type. At June 30, 2022, the amount of the liability for workers' compensation claims totaled \$605,000. Changes in the reported liability are as follows:

		Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End		Current Portion
2021.....	\$	723,000	\$	519,000	\$	(545,000)	\$	697,000	\$	697,000
2022.....		697,000		529,000		(621,000)		605,000		605,000

Except for the internal service fund, all other claims and judgement and other similar liabilities are liquidated by the general fund.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS*Plan Description*

The Town of Burlington administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 80% of the cost of current-

year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute 20% of their premium costs. For the year ended June 30, 2022, the Town contributed \$7,084,198 to the plan.

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 raise taxes necessary to begin pre-funding its OPEB liabilities. The Town has named the Health Care Security Board of Trustees (HCSBT) as Trustees of the OPEB Fund and as such has authorized the OPEB Trust Funds to be invested entirely in the State Retirement Benefits Trust Fund (SRBT Fund). Massachusetts General Law directs the HSCBT to invest the SRBT Fund in the Pension Reserves Investment Trust (PRIT) Fund. The Trustees have adopted a trust agreement detailing their duties and responsibilities as Trustees. The PRIT Fund is subject to oversight by the Pension Reserves Investment Management Board (PRIM) Board. A nine member Board of Trustees governs the PRIM Board. The Board of Trustees has the authority to employ an Executive Director, outside investment managers, custodians, consultants, and others as it deems necessary to formulate policies and procedures and to take such other actions as necessary and appropriate to manage the assets of the PRIT Fund.

During 2022, the Town pre-funded future OPEB liabilities totaling \$1,527,493 by contributing funds to the OPEB trust fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Fund financial statements. As of June 30, 2022, the net position of the OPEB trust fund totaled \$13,549,340.

Investment Policy

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Select Board by a majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at December 31, 2020:

Active members.....	632
Inactive members currently receiving benefits.....	<u>870</u>
Total.....	<u><u>1,502</u></u>

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2022:

Total OPEB liability.....	\$ 121,079,533
Less: OPEB plan's fiduciary net position.....	<u>(13,549,340)</u>
Net OPEB liability.....	<u><u>\$ 107,530,193</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	11.19%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2020 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, 2022.

Valuation date.....	December 31, 2020.
Actuarial cost method.....	Individual Entry Age Normal - Level percentage of payroll.
Amortization method.....	Payments increase 3.25% per year.
Remaining amortization period.....	24 years from December 31, 2021
Asset valuation method.....	Fair value.
Investment rate of return/discount rate....	7.00%
Inflation rate.....	3.25%
Salary increases.....	6.00% decreasing to 4.00% based on service for Group 1 and Group 2 7.50% decreasing to 4.00% based on service for Teachers 7.00% decreasing to 4.50% based on service for Group 4
Health care trend rates.....	Non-Medicare: 7.00% decreasing by 0.25% for 10 years to an ultimate level of 4.50% per year. Medicare: 7.50% decreasing by 0.25% for 12 years to an ultimate level of 4.50% per year. Administrative expense: 3.00%. Medicare Part B: 4.50%. Contributions: Retiree contributions are expected to increase with medical trend.
Mortality rates.....	Pre-Retirement (non-Teachers): RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2017. Healthy Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2017. Disabled Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2017. Pre-Retirement (Teachers): Pub-2010 Teacher Employee Mortality Table (headcount weighted) projected generationally with Scale MP-2020. Healthy Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020. Disabled Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (3.93)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan's expected future real rate of return is added to the expected inflation to produce the long-term expected nominal rate of return. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2022 are summarized in the following table.

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity.....	22.00%	6.11%
International developed markets equity.....	11.50%	6.49%
International emerging markets equity.....	4.50%	8.12%
Core fixed income.....	15.00%	0.38%
High-yield fixed income.....	8.00%	2.48%
Real estate.....	10.00%	3.72%
Commodities.....	4.00%	3.44%
Hedge fund, GTAA, risk parity.....	10.00%	2.63%
Private equity.....	15.00%	9.93%
Total.....	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022 and June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members. Therefore the long-term expected rate of return on the OPEB plan assets was applied to projected future benefits payments.

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

The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 7.00%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability.....	\$ 122,785,702	\$ 107,530,193	\$ 94,860,867

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

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

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 92,287,672	\$ 107,530,193	\$ 126,334,459

Summary of Significant Accounting Policies

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

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, 2021.....	\$ 115,649,955	\$ 12,568,122	\$ 103,081,833
Changes for the year:			
Service cost.....	2,880,357	-	2,880,357
Interest.....	8,105,926	-	8,105,926
Contributions - employer.....	-	7,084,198	(7,084,198)
Net investment income (loss).....	-	(546,275)	546,275
Benefit payments.....	(5,556,705)	(5,556,705)	-
Net change.....	5,429,578	981,218	4,448,360
Balance at June 30, 2022.....	\$ 121,079,533	\$ 13,549,340	\$ 107,530,193

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

For the year ended June 30, 2022, the Town recognized OPEB expense of \$9,942,969. At June 30, 2022, the Town reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 1,623,178	\$ -	\$ 1,623,178
Difference between projected and actual earnings, net.....	528,865	-	528,865
Changes in assumptions.....	228,624	(3,019,100)	(2,790,476)
Total deferred outflows/(inflows) of resources.....	\$ 2,380,667	\$ (3,019,100)	\$ (638,433)

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

Year ended June 30:

2023.....	\$ (57,273)
2024.....	(81,293)
2025.....	(574,552)
2026.....	74,685
Total.....	\$ (638,433)

Changes of Assumptions and Changes in Plan Provisions – None.

NOTE 12 – COMMITMENTS

The Town is committed to completing various projects throughout the Town that will be funded with long term debt that has been authorized, but not yet issued, totaling \$23 million.

At June 30, 2022 the Town committed to fund approximately \$8.8 million of carryover articles and encumbrances.

NOTE 13 – 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2022, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2022.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 16, 2022, which is the date the financial statements were available to be issued.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2022, the following GASB pronouncements were implemented:

- GASB Statement #87, *Leases*. The Annual Comprehensive Financial Report (ACFR) and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This pronouncement did not impact the ACFR.
- GASB Statement #92, *Omnibus 2020*. This pronouncement did not impact the ACFR.
- GASB Statement #93, *Replacement of Interbank Offered Rates*. This pronouncement did not impact the ACFR.
- GASB Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This pronouncement did not impact the ACFR.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #99, *Omnibus 2022*, which is required to be implemented in 2023.
- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.
- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.

Management is currently assessing the impact the implementation of these pronouncements will have on the ACFR.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Actual	Amounts	Variance
	Original	Final		Budgetary	Carried Forward	to Final
	Budget	Budget		Amounts	To Next Year	Budget
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 128,301,144	\$ 128,801,144	\$	127,968,112	\$ -	\$(833,032)
Tax liens.....	-	-		899,521	-	899,521
Motor vehicle and other excise taxes.....	4,414,209	4,414,209		4,399,008	-	(15,201)
Hotel, motel, and meals tax.....	2,435,000	2,435,000		4,269,708	-	1,834,708
Ambulance.....	500,000	500,000		775,580	-	275,580
Water charges.....	3,650,000	3,650,000		4,177,995	-	527,995
Penalties and interest on taxes.....	290,000	290,000		598,877	-	308,877
Fees and rentals.....	500,000	500,000		542,603	-	42,603
Payments in lieu of taxes.....	520,000	520,000		524,688	-	4,688
Licenses and permits.....	1,000,000	1,000,000		5,086,767	-	4,086,767
Intergovernmental.....	10,650,981	10,650,981		10,267,820	-	\$(383,161)
Departmental and other.....	783,000	783,000		884,293	-	101,293
Investment income.....	300,000	300,000		329,019	-	29,019
Miscellaneous.....	170,000	170,000		583,851	-	413,851
TOTAL REVENUES.....	153,514,334	154,014,334		161,307,842	-	7,293,508
EXPENDITURES:						
GENERAL GOVERNMENT						
TOWN MEETING & REPORTS						
Salaries.....	3,333	7,521		7,521	-	-
Expenses.....	12,817	15,773		15,773	-	-
TOTAL.....	16,150	23,294		23,294	-	-
OTHER LEGISLATIVE COMMITTEES						
Salaries.....	7,744	2,682		2,682	-	-
Expenses.....	273	273		-	-	273
TOTAL.....	8,017	2,955		2,682	-	273
TOWN ADMINISTRATION/ SELECT BOARD						
Salaries.....	622,496	739,655		738,455	1,140	60
Expenses.....	48,015	48,015		35,730	4,934	7,351
Special accounts.....	17,500	17,500		10,673	-	6,827
Capital Articles.....	182,318	157,218		25,244	131,974	-
TOTAL.....	870,329	962,388		810,102	138,048	14,238
ACCOUNTING						
Salaries.....	428,837	428,793		428,793	-	-
Expenses.....	5,601	5,601		2,959	1,500	1,142
TOTAL.....	434,438	434,394		431,752	1,500	1,142
ASSESSORS						
Salaries.....	308,704	342,042		333,761	-	8,281
Expenses.....	118,128	118,128		71,031	31,250	15,847
Capital Articles.....	345,317	345,317		252	345,065	-
TOTAL.....	772,149	805,487		405,044	376,315	24,128
TREASURER/ COLLECTOR						
Salaries.....	653,245	655,396		638,191	-	17,205
Expenses.....	27,638	27,638		13,287	7,000	7,351
Special accounts.....	100	100		-	-	100
Capital Articles.....	-	144,297		144,297	-	-
TOTAL.....	680,983	827,431		795,775	7,000	24,656
CENTRAL ADMINISTRATION						
Central supply.....	110,000	110,000		110,000	-	-
Central machines.....	32,543	32,543		28,616	-	3,927
Town insurance.....	1,156,399	1,156,399		1,156,399	-	-
Financial services.....	71,470	71,470		49,800	11,470	10,200
TOTAL.....	1,370,412	1,370,412		1,344,815	11,470	14,127
LEGAL						
Legal expenses.....	202,625	184,358		149,906	10,575	23,877

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
HUMAN RESOURCES					
Salaries.....	141,897	145,198	145,198	-	-
Expenses.....	4,390	4,390	1,739	441	2,210
Special accounts.....	14,575	14,575	8,648	-	5,927
TOTAL.....	160,862	164,163	155,585	441	8,137
MANAGEMENT INFORMATION SYSTEMS					
Salaries.....	339,869	345,790	345,729	-	61
Expenses.....	337,706	337,706	328,268	9,340	98
Capital Articles.....	68,000	68,000	-	68,000	-
TOTAL.....	745,575	751,496	673,997	77,340	159
TOWN CLERK					
Salaries.....	360,545	367,396	367,395	-	1
Expenses.....	20,100	20,100	19,543	-	557
Special accounts.....	29,768	29,768	28,551	-	1,217
Capital Articles.....	50,000	40,900	40,900	-	-
TOTAL.....	460,413	458,164	456,389	-	1,775
BOARD OF REGISTRAR					
Salaries.....	1,250	1,250	1,250	-	-
Expenses.....	10,800	10,800	10,590	-	210
TOTAL.....	12,050	12,050	11,840	-	210
CONSERVATION					
Salaries.....	244,783	247,628	235,919	-	11,709
Expenses.....	10,050	10,050	2,639	-	7,411
Special accounts.....	18,800	18,800	10,790	-	8,010
TOTAL.....	273,633	276,478	249,348	-	27,130
PLANNING BOARD					
Salaries.....	337,195	341,729	325,110	45	16,574
Expenses.....	51,237	51,237	16,201	16,631	18,405
Capital Articles.....	105,957	105,726	6,000	99,726	-
TOTAL.....	494,389	498,692	347,311	116,402	34,979
BOARD OF APPEALS					
Salaries.....	13,481	19,535	19,535	-	-
Expenses.....	250	250	-	-	250
TOTAL.....	13,731	19,785	19,535	-	250
TOWN FACILITIES					
Expenses.....	95,943	95,943	63,629	-	32,314
NEGOTIATED SETTLEMENTS.....	822,245	402,855	143,137	259,718	-
Total General Government.....	7,433,944	7,290,345	6,084,141	998,809	207,395
PUBLIC SAFETY					
POLICE DEPARTMENT					
Salaries.....	8,702,725	8,344,688	8,139,005	87,848	117,835
Expenses.....	633,248	595,985	594,753	-	1,232
Special accounts.....	359,473	396,736	376,684	6,275	13,777
Capital Articles.....	122,042	122,042	18,636	103,406	-
TOTAL.....	9,817,488	9,459,451	9,129,078	197,529	132,844
FIRE DEPARTMENT					
Salaries.....	7,971,898	8,666,527	8,666,526	-	1
Expenses.....	533,371	533,371	465,991	53,726	13,654
Special accounts.....	254,284	254,284	220,976	15,129	18,179
Capital Articles.....	342,808	342,271	40,131	302,140	-
TOTAL.....	9,102,361	9,796,453	9,393,624	370,995	31,834
BUILDING DEPARTMENT					
Salaries.....	720,514	742,461	666,535	-	75,926
Expenses.....	40,026	40,026	30,709	481	8,836
TOTAL.....	760,540	782,487	697,244	481	84,762

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
SEALER OF WEIGHTS					
Expenses.....	7,800	7,800	7,500	-	300
EMERGENCY MANAGEMENT SERVICE					
Salaries.....	10,000	10,000	10,000	-	-
Expenses.....	8,100	8,100	2,523	5,577	-
Special accounts.....	5,500	5,500	1,362	4,138	-
TOTAL.....	23,600	23,600	13,885	9,715	-
Total Public Safety.....	19,711,789	20,069,791	19,241,331	578,720	249,740
EDUCATION					
PUBLIC SCHOOLS					
Salaries and expenditures.....	75,473,463	75,723,456	65,830,495	7,757,656	2,135,305
Capital articles.....	2,475,776	2,332,599	293,361	2,039,238	-
TOTAL.....	77,949,239	78,056,055	66,123,856	9,796,894	2,135,305
REGIONAL SCHOOL ASSESSMENTS.....	2,833,083	2,833,083	2,723,900	-	109,183
Total Education.....	80,782,322	80,889,138	68,847,756	9,796,894	2,244,488
PUBLIC WORKS					
Salaries.....	5,737,204	5,761,364	5,476,999	-	284,365
Expenses.....	4,215,631	4,677,631	3,880,170	599,273	198,188
Special accounts.....	476,057	476,057	277,194	188,292	10,571
Capital Articles.....	2,792,100	3,272,823	1,473,786	1,799,037	-
TOTAL.....	13,220,992	14,187,875	11,108,149	2,586,602	493,124
SNOW AND ICE					
Expenses.....	350,000	350,000	710,304	-	(360,304)
RUBBISH AND GARBAGE					
Expenses.....	2,297,200	2,297,200	2,089,683	110,000	97,517
STREET LIGHT					
Expenses.....	561,599	561,599	549,643	10,000	1,956
DEP DRINKING WATER					
Expenses.....	15,000	15,000	9,792	-	5,208
Total Public Works.....	16,444,791	17,411,674	14,467,571	2,706,602	237,501
HUMAN SERVICES					
BOARD OF HEALTH					
Salaries.....	637,609	672,531	594,459	4,267	73,805
Expenses.....	35,490	35,490	26,750	332	8,408
Special accounts.....	96,804	96,804	71,603	-	25,201
TOTAL.....	769,903	804,825	692,812	4,599	107,414
COUNCIL ON AGING					
Salaries.....	401,004	427,714	385,579	-	42,135
Expenses.....	9,550	9,550	4,551	-	4,999
Special accounts.....	7,442	7,442	6,942	-	500
TOTAL.....	417,996	444,706	397,072	-	47,634
VETERANS' SERVICES					
Salaries.....	141,589	143,004	143,001	-	3
Expenses.....	3,109	3,035	3,024	-	11
Special accounts.....	112,000	112,000	89,790	-	22,210
TOTAL.....	256,698	258,039	235,815	-	22,224
YOUTH AND FAMILY SERVICES					
Salaries.....	455,069	474,276	442,725	1,146	30,405
Expenses.....	25,031	25,031	24,177	854	-
TOTAL.....	480,100	499,307	466,902	2,000	30,405

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
DISABILITY ACCESS COMMISSION					
Salaries.....	534	608	608	-	-
Expenses.....	400	400	392	-	8
TOTAL.....	934	1,008	1,000	-	8
Total Human Services.....	1,925,631	2,007,885	1,793,601	6,599	207,685
CULTURE AND RECREATION					
PUBLIC LIBRARY					
Salaries.....	1,373,405	1,407,909	1,407,909	-	-
Expenses.....	80,023	80,023	79,919	-	104
Special accounts.....	196,373	190,166	190,019	-	147
TOTAL.....	1,649,801	1,678,098	1,677,847	-	251
RECREATION DEPARTMENT					
Salaries.....	1,629,622	1,639,835	1,563,535	45,796	30,504
Expenses.....	314,393	314,393	310,431	3,962	-
Special accounts.....	28,980	28,980	28,690	-	290
Capital Articles.....	186,000	184,958	65,357	119,601	-
TOTAL.....	2,158,995	2,168,166	1,968,013	169,359	30,794
HISTORICAL COMMISSION					
Expenses.....	13,825	13,825	8,744	5,081	-
Total Culture and Recreation.....	3,822,621	3,860,089	3,654,604	174,440	31,045
PENSION BENEFITS					
County retirement.....	11,757,449	11,757,449	11,757,449	-	-
EMPLOYEE BENEFITS					
Health insurance.....	15,112,422	15,112,422	13,298,719	82,500	1,731,203
Transfer to OPEB.....	1,527,493	1,527,493	1,527,493	-	-
Medicare tax.....	1,260,128	1,260,128	1,207,993	-	52,135
Unemployment compensation.....	100,000	100,000	3,630	1,210	95,160
TOTAL.....	18,000,043	18,000,043	16,037,835	83,710	1,878,498
CAPITAL IMPROVEMENTS.....	400,000	400,000	399,021	-	979
RESERVE FUND.....	200,000	300,000	-	-	300,000
STATE AND COUNTY ASSESSMENTS.....	1,013,969	1,093,522	1,093,522	-	-
Debt service:					
Principal.....	4,386,593	4,386,593	3,857,700	-	528,893
Interest.....	2,390,179	2,390,179	2,311,994	-	78,185
TOTAL EXPENDITURES.....	168,269,331	169,856,708	149,546,525	14,345,774	5,964,409
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(14,754,997)	(15,842,374)	11,761,317	(14,345,774)	13,257,917
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	-	-	180,972	-	180,972
Transfers in.....	-	612,000	710,054	-	98,054
Transfers out.....	(50,000)	(1,206,248)	(1,002,040)	-	204,208
TOTAL OTHER FINANCING SOURCES (USES).....	(50,000)	(594,248)	(111,014)	-	483,234
NET CHANGE IN FUND BALANCE.....	(14,804,997)	(16,436,622)	11,650,303	(14,345,774)	13,741,151
BUDGETARY FUND BALANCE, Beginning of year.....	40,890,758	40,890,758	40,890,758	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 26,085,761	\$ 24,454,136	\$ 52,541,061	\$ (14,345,774)	\$ 13,741,151

(Concluded)

See notes to required supplementary information.

Pension Plan Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

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

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

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
MIDDLESEX COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- payroll	Net pension liability as a percentage of covered- payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2021.....	8.861%	\$ 118,806,981	\$ 37,219,280	319.21%	61.14%
December 31, 2020.....	8.714%	133,422,263	36,934,043	361.24%	53.42%
December 31, 2019.....	8.600%	137,604,549	35,400,619	388.71%	49.45%
December 31, 2018.....	8.172%	127,441,167	33,783,442	377.23%	46.40%
December 31, 2017.....	8.270%	117,368,093	32,393,793	362.32%	49.27%
December 31, 2016.....	8.111%	114,929,674	31,361,657	366.47%	45.49%
December 31, 2015.....	8.105%	104,556,462	30,378,636	344.18%	46.13%
December 31, 2014.....	8.162%	98,053,205	29,210,227	335.68%	47.65%

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.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
MIDDLESEX COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- payroll	Contributions as a percentage of covered- payroll
June 30, 2022.....	\$ 11,757,449	\$ (11,757,449)	\$ -	\$ 37,591,473	31.28%
June 30, 2021.....	10,675,811	(10,675,811)	-	37,303,383	28.62%
June 30, 2020.....	10,023,321	(10,023,321)	-	35,754,625	28.03%
June 30, 2019.....	9,454,623	(9,454,623)	-	34,121,376	27.71%
June 30, 2018.....	8,877,933	(8,877,933)	-	33,409,166	26.57%
June 30, 2017.....	8,404,267	(8,404,267)	-	31,675,274	26.53%
June 30, 2016.....	7,895,297	(7,895,297)	-	30,682,442	25.73%
June 30, 2015.....	7,511,305	(7,511,305)	-	29,502,229	25.46%

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.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

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

<u>Year</u>	<u>Commonwealth's 100% Share of the Associated Net Pension Liability</u>	<u>Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2022.....	\$ 116,186,962	\$ 9,324,000	62.03%
2021.....	141,577,478	17,486,847	50.67%
2020.....	124,461,103	15,093,069	53.95%
2019.....	120,102,352	12,170,634	54.84%
2018.....	114,385,482	11,938,746	54.25%
2017.....	113,026,510	11,529,445	52.73%
2016.....	98,121,938	7,958,562	55.38%
2015.....	75,221,631	5,226,008	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.

Other Postemployment Benefits Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit 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 other postemployment benefit liability as a percentage of covered-employee payroll.

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

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expenses.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Total OPEB Liability						
Service Cost.....	\$ 2,029,964	\$ 2,101,013	\$ 2,174,548	\$ 2,504,177	\$ 2,531,670	\$ 2,880,357
Interest.....	7,074,192	7,410,905	7,744,557	7,876,841	8,109,696	8,105,926
Changes of benefit terms.....	-	-	(2,094,953)	-	(397,909)	-
Differences between expected and actual experience....	-	-	1,725,041	-	1,572,244	-
Changes of assumptions.....	-	-	685,874	(2,172,143)	(2,899,543)	-
Benefit payments.....	(4,508,617)	(4,869,350)	(5,316,110)	(5,042,629)	(5,095,675)	(5,556,705)
Net change in total OPEB liability.....	4,595,539	4,642,568	4,918,957	3,166,246	3,820,483	5,429,578
Total OPEB liability - beginning.....	94,506,162	99,101,701	103,744,269	108,663,226	111,829,472	115,649,955
Total OPEB liability - ending (a).....	<u>\$ 99,101,701</u>	<u>\$ 103,744,269</u>	<u>\$ 108,663,226</u>	<u>\$ 111,829,472</u>	<u>\$ 115,649,955</u>	<u>\$ 121,079,533</u>
Plan fiduciary net position						
Employer contributions.....	\$ 846,500	\$ 597,325	\$ 1,152,876	\$ 1,213,593	\$ 779,957	\$ 1,527,493
Employer contributions for OPEB payments.....	4,508,617	4,869,350	5,316,110	5,042,629	5,095,675	5,556,705
Net investment income (loss).....	599,191	565,625	422,178	183,391	2,162,221	(546,275)
Benefit payments.....	(4,508,617)	(4,869,350)	(5,316,110)	(5,042,629)	(5,095,675)	(5,556,705)
Net change in plan fiduciary net position.....	1,445,691	1,162,950	1,575,054	1,396,984	2,942,178	981,218
Plan fiduciary net position - beginning of year.....	4,045,265	5,490,956	6,653,906	8,228,960	9,625,944	12,568,122
Plan fiduciary net position - end of year (b).....	<u>\$ 5,490,956</u>	<u>\$ 6,653,906</u>	<u>\$ 8,228,960</u>	<u>\$ 9,625,944</u>	<u>\$ 12,568,122</u>	<u>\$ 13,549,340</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 93,610,745</u>	<u>\$ 97,090,363</u>	<u>\$ 100,434,266</u>	<u>\$ 102,203,528</u>	<u>\$ 103,081,833</u>	<u>\$ 107,530,193</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	5.54%	6.41%	7.57%	8.61%	10.87%	11.19%
Covered-employee payroll.....	\$ 59,098,583	\$ 61,874,961	\$ 64,525,649	\$ 69,728,752	\$ 59,560,972	\$ 76,624,218
Net OPEB liability as a percentage of covered-employee payroll.....	158.40%	156.91%	155.65%	146.57%	173.07%	140.33%

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.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2022.....	\$ 9,689,148	\$ (7,084,198)	\$ 2,604,950	\$ 76,624,218	9.25%
June 30, 2021.....	9,234,268	(5,875,632)	3,358,636	59,560,972	9.86%
June 30, 2020.....	8,683,480	(6,256,222)	2,427,258	69,728,752	8.97%
June 30, 2019.....	8,188,043	(6,468,986)	1,719,057	64,525,649	10.03%
June 30, 2018.....	7,600,044	(5,466,675)	2,133,369	61,874,961	8.84%
June 30, 2017.....	6,294,020	(5,355,117)	938,903	59,098,583	9.06%

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.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2022.....	-3.93%
June 30, 2021.....	20.92%
June 30, 2020.....	1.96%
June 30, 2019.....	5.48%
June 30, 2018.....	9.37%
June 30, 2017.....	19.84%

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.

Notes to Required Supplementary Information

NOTE A – BUDGETARY BASIS OF ACCOUNTINGBudgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting. The Finance and Advisory Board presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority Town Meeting approval via a supplemental appropriation.

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

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by majority vote of Town Meeting.

The Town adopts an annual budget for the general fund in conformity with the guidelines described above. The original 2022 approved budget for the general fund authorized approximately \$168.3 million in appropriations and this amount includes \$11.4 million in encumbrances and appropriations carried over from previous years. During 2022, the Town increased the budget by \$2.7 million to \$171.1 million. Supplemental free cash appropriations include \$950,000 to stabilization funds, \$500,000 for water purchases, and \$612,000 of additional transfers in from other funds to support the operating budget.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2022, is presented on the following page.

Net change in fund balance - budgetary basis.....	\$ 11,650,303
<u>Perspective differences:</u>	
Activity of the sewer fund.....	(118,391)
Activity of the stabilization fund recorded in the recorded in the general fund for GAAP.....	499,445
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(772,000)
Net change in recording 60 day receipts.....	567,274
Net change in recording accrued payroll.....	(1,538,827)
Recognition of revenue for on-behalf payments.....	9,324,000
Recognition of expenditures for on-behalf payments.....	<u>(9,324,000)</u>
Net change in fund balance - GAAP basis.....	\$ <u>10,287,804</u>

Excess of Expenditures over Appropriations

For the year ended June 30, 2022, actual expenditures exceeded appropriations for public works snow and ice budget. These over-expenditures will be raised and funded fiscal year 2023.

NOTE B – PENSION PLAN***Pension Plan Schedules***Schedule of the Town's Proportionate Share of the Net Pension Liability

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

Schedule of Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The 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.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the 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 liability.

Changes in Assumptions

- The net investment return assumption was lowered from 7.30% to 7.15%.
- The mortality projection scale was updated from MP-2017 to MP-2021.

Changes in Plan Provisions

- None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

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

The Other Postemployment Benefit Plan

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

The Schedule of Changes in the Town's Net Other Postemployment Benefit 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 other postemployment benefit liability as a percentage of covered-employee payroll.

Schedule of the Town's Contributions

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 and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarially contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates are reported below:

Valuation date.....	December 31, 2020.
Actuarial cost method.....	Individual Entry Age Normal - Level percentage of payroll.
Amortization method.....	Payments increase 3.25% per year.
Remaining amortization period.....	24 years from December 31, 2021
Asset valuation method.....	Fair value.
Investment rate of return/discount rate....	7.00%
Inflation rate.....	3.25%
Salary increases.....	6.00% decreasing to 4.00% based on service for Group 1 and Group 2 7.50% decreasing to 4.00% based on service for Teachers 7.00% decreasing to 4.50% based on service for Group 4
Health care trend rates.....	Non-Medicare: 7.00% decreasing by 0.25% for 10 years to an ultimate level of 4.50% per year. Medicare: 7.50% decreasing by 0.25% for 12 years to an ultimate level of 4.50% per year. Administrative expense: 3.00%. Medicare Part B: 4.50%. Contributions: Retiree contributions are expected to increase with medical trend.
Mortality rates.....	Pre-Retirement (non-Teachers): RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2017. Healthy Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2017. Disabled Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2017. Pre-Retirement (Teachers): Pub-2010 Teacher Employee Mortality Table (headcount weighted) projected generationally with Scale MP-2020. Healthy Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020. Disabled Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020.

Schedule of Investment Returns

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

Changes of Assumptions – None.

Changes in Plan Provisions – None.

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Combining Statements

The combining financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specified purposes. The Town's special revenue funds are grouped into the following categories:

Town Revolving Fund – This fund is used to account for various municipal programs such as affordable housing monitoring, police and fire details, recreation activities, and wetland protection.

School Revolving Fund – This fund is used to account for various school programs, such as operation of public school lunch program, student activities, athletic receipts, and tuition costs.

Town Gifts Fund – This fund is used to account for gifts which have been accepted by the Town to be used for the purpose specified by the donor.

School Gifts Fund – This fund is used to account for gifts which have been accepted by the School Department to be used for the purpose specified by the donor.

School Activity Programs Fund – This fund is used to account for school activity, such as operation of after school programs, summer programs, and integrated preschool.

Federal Grant Fund – This fund is used to account for all federal grants used for Town and School related projects and activities.

State and Local Grant Fund – This fund is used to account for all state and local grants used for Town and School related projects and activities.

Town Special Purpose Fund – This fund are used to account for specific revenues that are legally restricted, such as insurance recoveries, sale of graves and real estate, and handicap fines.

Capital Projects

Capital project funds are used to account for financial resources used in the acquisition or construction of major capital facilities (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's grouping for non-major capital project funds is as described as follows:

Town Capital Projects Fund – This fund is used to account for and report financial resources for the acquisition or construction of non-school capital facilities and other capital assets of the governmental funds

School Capital Projects Fund – This fund is used to account for and report financial resources for the acquisition or construction of school capital facilities.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

Town Libraries Fund – These funds are used to account for all contributions received to support the public library.

Cemetery Perpetual Care Fund – These funds are used to account for all contributions associated with cemetery care and maintenance.

Conservation Fund – These funds are used to account for all contributions associated supporting the land conservation within the Town.

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2022

	Special Revenue Funds						
	Town Revolving Funds	School Revolving Funds	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants
ASSETS							
Cash and cash equivalents.....	\$ 6,062,307	\$ 3,161,777	\$ 445,352	\$ 40,224	\$ 201,958	\$ 3,521,198	\$ 4,806,386
Investments.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Departmental and other.....	414,344	-	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-	-	1,092,064
TOTAL ASSETS.....	\$ 6,476,651	\$ 3,161,777	\$ 445,352	\$ 40,224	\$ 201,958	\$ 3,521,198	\$ 5,898,450
LIABILITIES							
Warrants payable.....	\$ 373,791	\$ 23,845	\$ 12,273	\$ 990	\$ 2,516	\$ 33,069	\$ 1,916,229
Accrued payroll.....	47,282	-	-	-	-	-	1,277
Other liabilities.....	938,277	-	-	-	-	-	-
Unearned revenue.....	-	-	-	-	-	3,277,526	-
Notes payable.....	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	1,359,350	23,845	12,273	990	2,516	3,310,595	1,917,506
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue.....	414,344	-	-	-	-	-	1,092,064
FUND BALANCES							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	4,702,957	3,137,932	433,079	39,234	199,442	210,603	2,888,880
Unassigned.....	-	-	-	-	-	-	-
TOTAL FUND BALANCES.....	4,702,957	3,137,932	433,079	39,234	199,442	210,603	2,888,880
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 6,476,651	\$ 3,161,777	\$ 445,352	\$ 40,224	\$ 201,958	\$ 3,521,198	\$ 5,898,450

Special Revenue Funds		Capital Project Funds			Permanent Funds				Total Nonmajor Governmental Funds
Town Special Purposes Funds	Subtotal	Town Capital Projects	School Capital Projects	Subtotal	Town Libraries	Cemetery Perpetual Care	Conservation	Subtotal	
\$ 731,358	\$ 18,970,560	\$ 747,590	\$ 41,056	\$ 788,646	\$ 5,437	\$ 180,121	\$ 1,046	\$ 186,604	\$ 19,945,810
-	-	-	-	-	-	1,027,373	-	1,027,373	1,027,373
-	414,344	-	-	-	-	-	-	-	414,344
-	1,092,064	-	-	-	-	-	-	-	1,092,064
<u>\$ 731,358</u>	<u>\$ 20,476,968</u>	<u>\$ 747,590</u>	<u>\$ 41,056</u>	<u>\$ 788,646</u>	<u>\$ 5,437</u>	<u>\$ 1,207,494</u>	<u>\$ 1,046</u>	<u>\$ 1,213,977</u>	<u>\$ 22,479,591</u>
\$ 7,858	\$ 2,370,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,370,571
-	48,559	-	-	-	-	-	-	-	48,559
-	938,277	-	-	-	-	-	-	-	938,277
-	3,277,526	-	-	-	-	-	-	-	3,277,526
-	-	1,240,000	-	1,240,000	-	-	-	-	1,240,000
<u>7,858</u>	<u>6,634,933</u>	<u>1,240,000</u>	<u>-</u>	<u>1,240,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,874,933</u>
-	1,506,408	-	-	-	-	-	-	-	1,506,408
-	-	-	-	-	4,497	708,828	1,046	714,371	714,371
723,500	12,335,627	-	41,056	41,056	940	498,666	-	499,606	12,876,289
-	-	(492,410)	-	(492,410)	-	-	-	-	(492,410)
<u>723,500</u>	<u>12,335,627</u>	<u>(492,410)</u>	<u>41,056</u>	<u>(451,354)</u>	<u>5,437</u>	<u>1,207,494</u>	<u>1,046</u>	<u>1,213,977</u>	<u>13,098,250</u>
<u>\$ 731,358</u>	<u>\$ 20,476,968</u>	<u>\$ 747,590</u>	<u>\$ 41,056</u>	<u>\$ 788,646</u>	<u>\$ 5,437</u>	<u>\$ 1,207,494</u>	<u>\$ 1,046</u>	<u>\$ 1,213,977</u>	<u>\$ 22,479,591</u>

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Special Revenue Funds						
	Town Revolving Funds	School Revolving Funds	Town Gifts	School Gifts	School Activity Programs	Federal Grants	State & Local Grants
REVENUES:							
Intergovernmental - other.....	\$ 116,000	\$ -	\$ -	\$ -	\$ -	\$ 1,168,793	\$ 6,372,887
Departmental and other.....	4,725,574	3,079,810	96,138	4,300	1,651,606	-	563,105
Contributions and donations.....	-	-	26,129	1,870	-	-	10,400
Investment income.....	65	55	-	-	-	-	-
Miscellaneous.....	-	-	-	3,333	-	-	162,738
TOTAL REVENUES.....	4,841,639	3,079,865	122,267	9,503	1,651,606	1,168,793	7,109,130
EXPENDITURES:							
Current:							
General government.....	411,342	-	24,703	-	-	1,032,548	1,068,629
Public safety.....	2,376,608	-	-	-	-	23,258	221,861
Education.....	-	2,048,551	-	6,926	1,717,771	1,487,334	3,149,987
Public works.....	11,049	-	-	-	-	-	1,275,223
Health and human services.....	47,764	-	16,492	-	-	-	129,668
Water and sewer.....	9,761	-	-	-	-	-	2,467,397
Culture and recreation.....	785,800	-	40,386	-	-	-	48,056
Debt service:							
Principal.....	65,000	-	-	-	-	-	-
Interest.....	24,375	-	-	-	-	-	-
TOTAL EXPENDITURES.....	3,731,699	2,048,551	81,581	6,926	1,717,771	2,543,140	8,360,821
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	1,109,940	1,031,314	40,686	2,577	(66,165)	(1,374,347)	(1,251,691)
OTHER FINANCING SOURCES (USES):							
Transfers in.....	62,001	-	-	-	-	-	-
Transfers out.....	(98,054)	-	-	-	-	-	(12,001)
TOTAL OTHER FINANCING SOURCES (USES).....	(36,053)	-	-	-	-	-	(12,001)
NET CHANGE IN FUND BALANCES.....	1,073,887	1,031,314	40,686	2,577	(66,165)	(1,374,347)	(1,263,692)
FUND BALANCES AT BEGINNING OF YEAR.....	3,629,070	2,106,618	392,393	36,657	265,607	1,584,950	4,152,572
FUND BALANCES AT END OF YEAR.....	\$ 4,702,957	\$ 3,137,932	\$ 433,079	\$ 39,234	\$ 199,442	\$ 210,603	\$ 2,888,880

Special Revenue Funds		Capital Project Funds			Permanent Funds				Total Nonmajor Governmental Funds
Town Special Purposes Funds	Subtotal	Town Capital Projects	School Capital Projects	Subtotal	Town Libraries	Cemetery Perpetual Care	Conservation	Subtotal	
\$ -	\$ 7,657,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,657,680
79,046	10,199,579	3,551	-	3,551	-	-	-	-	10,203,130
-	38,399	-	-	-	-	31,200	-	31,200	69,599
1	121	-	-	-	4	23,800	-	23,804	23,925
153,396	319,467	-	-	-	-	-	-	-	319,467
232,443	18,215,246	3,551	-	3,551	4	55,000	-	55,004	18,273,801
32,865	2,570,087	-	-	-	-	-	-	-	2,570,087
65,869	2,687,596	536,832	-	536,832	-	-	-	-	3,224,428
-	8,410,569	-	-	-	-	-	-	-	8,410,569
-	1,286,272	-	-	-	-	-	-	-	1,286,272
16,673	210,597	-	-	-	-	-	-	-	210,597
-	2,477,158	-	-	-	-	-	-	-	2,477,158
-	874,242	-	-	-	-	-	-	-	874,242
-	65,000	-	-	-	-	-	-	-	65,000
-	24,375	-	-	-	-	-	-	-	24,375
115,407	18,605,896	536,832	-	536,832	-	-	-	-	19,142,728
117,036	(390,650)	(533,281)	-	(533,281)	4	55,000	-	55,004	(868,927)
-	62,001	-	-	-	-	-	-	-	62,001
-	(110,055)	-	-	-	-	-	-	-	(110,055)
-	(48,054)	-	-	-	-	-	-	-	(48,054)
117,036	(438,704)	(533,281)	-	(533,281)	4	55,000	-	55,004	(916,981)
606,464	12,774,331	40,871	41,056	81,927	5,433	1,152,494	1,046	1,158,973	14,015,231
\$ 723,500	\$ 12,335,627	\$ (492,410)	\$ 41,056	\$ (451,354)	\$ 5,437	\$ 1,207,494	\$ 1,046	\$ 1,213,977	\$ 13,098,250

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Statistical Section



The ribbon cutting ceremony at the new Department of Public Works highway, water and sewer facility.

Statistical Section

This part of the Town of Burlington's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends

- These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the Town's financial reports for the relevant year.

Town of Burlington, Massachusetts

Net Position By Component

Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net Investment in capital assets.....	\$ 106,844,287	\$ 112,419,808	\$ 117,056,689	\$ 116,649,672	\$ 121,730,037	\$ 128,322,641	\$ 132,131,027	\$ 135,472,043	\$ 135,182,510	\$ 135,757,762
Restricted.....	1,313,764	959,629	2,365,972	3,214,610	3,345,429	1,261,514	3,564,309	4,947,682	8,397,203	5,877,837
Unrestricted.....	<u>20,586,182</u>	<u>(74,474,053)</u>	<u>(75,794,406)</u>	<u>(73,402,091)</u>	<u>(138,883,923)</u>	<u>(154,665,663)</u>	<u>(156,869,988)</u>	<u>(166,633,218)</u>	<u>(169,461,764)</u>	<u>(160,211,585)</u>
Total governmental activities net position.....	<u>\$ 128,744,233</u>	<u>\$ 38,905,384</u>	<u>\$ 43,628,255</u>	<u>\$ 46,462,191</u>	<u>\$ (13,808,457)</u>	<u>\$ (25,081,508)</u>	<u>\$ (21,174,652)</u>	<u>\$ (26,213,493)</u>	<u>\$ (25,882,051)</u>	<u>\$ (18,575,986)</u>

The Town implemented GASB 68 and recorded their Net Pension Liability for the first time in 2015 and adjusted 2014 for the beginning balance change.

The Town implemented GASB 75 and recorded their OPEB Liability for the first time in 2018 and adjusted 2017 for the beginning balance change.

The Town changed the measurement date for GASB 75 and adjusted 2018 for the beginning balance change.

Town of Burlington, Massachusetts
Changes in Net Position
Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government.....	\$ 8,973,916	\$ 8,933,778	\$ 8,657,177	\$ 8,635,518	\$ 9,065,395	\$ 10,436,272	\$ 10,757,015	\$ 10,754,993	\$ 10,853,670	\$ 12,044,785
Public safety.....	21,329,943	20,004,254	22,379,342	23,631,927	25,310,669	27,413,036	28,589,937	33,237,795	35,156,146	31,733,925
Education.....	74,101,607	81,817,139	77,578,174	83,728,960	90,342,349	96,626,764	96,324,627	100,927,823	107,763,007	102,899,408
Public works.....	10,678,127	10,966,318	13,331,433	14,849,928	13,994,668	15,331,714	15,451,109	15,776,273	15,594,023	19,806,492
Water and sewer.....	9,250,784	8,838,002	9,239,696	8,216,296	9,205,607	9,778,407	10,183,413	10,364,167	11,417,408	11,032,363
Human services.....	2,124,869	2,098,766	2,177,276	2,489,924	2,757,820	2,800,110	2,960,887	3,347,591	2,996,114	3,000,888
Culture and recreation.....	5,154,268	5,293,996	5,271,687	5,791,638	6,296,889	6,531,690	6,777,770	7,256,799	6,495,983	6,220,841
Interest.....	1,917,491	1,823,582	1,448,616	1,999,825	1,633,845	1,760,462	1,765,018	2,173,810	2,180,268	1,901,504
Total primary government expenses.....	\$ 133,531,005	\$ 139,775,835	\$ 140,083,401	\$ 149,344,016	\$ 158,607,242	\$ 170,678,455	\$ 172,809,776	\$ 183,839,251	\$ 192,456,619	\$ 188,640,206
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 2,871,218	\$ 3,160,902	\$ 3,378,914	\$ 3,627,629	\$ 3,761,899	\$ 4,073,689	\$ 4,429,931	\$ 3,301,252	\$ 2,431,241	\$ 4,898,001
Public Safety charges for services.....	2,583,570	3,477,953	3,800,655	3,916,389	3,965,025	4,390,332	3,991,844	3,465,062	5,410,207	9,278,396
Water and sewer charges for services.....	8,701,323	9,335,360	9,463,040	9,812,063	9,282,262	9,219,351	9,312,909	9,327,673	9,652,325	10,180,893
Other charges for services.....	3,160,184	4,014,165	4,127,637	3,686,716	3,806,968	4,297,381	4,228,414	3,308,005	3,771,653	4,349,762
Operating grants and contributions.....	20,362,729	20,108,510	14,584,113	17,655,199	20,566,651	21,612,082	23,832,469	26,382,869	34,736,355	22,614,123
Capital grant and contributions.....	5,714,298	3,686,648	3,047,454	2,087,136	2,234,822	2,283,589	2,274,702	1,236,984	1,098,537	1,761,059
Total primary government program revenues.....	\$ 43,393,322	\$ 43,783,538	\$ 38,401,813	\$ 40,785,132	\$ 43,617,627	\$ 45,876,424	\$ 48,070,269	\$ 47,021,845	\$ 57,100,318	\$ 53,082,234
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (90,137,683)	\$ (95,992,297)	\$ (101,681,588)	\$ (108,558,884)	\$ (114,989,615)	\$ (124,802,031)	\$ (124,739,507)	\$ (136,817,406)	\$ (135,356,301)	\$ (135,557,972)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 87,525,940	\$ 91,085,231	\$ 94,505,632	\$ 97,533,719	\$ 102,423,648	\$ 107,849,572	\$ 112,160,859	\$ 116,718,062	\$ 122,476,257	\$ 128,284,211
Tax and other liens.....	371,618	567,733	281,302	265,140	170,429	339,317	171,838	144,224	308,716	633,488
Motor vehicle and other excise taxes.....	3,468,964	3,554,381	3,636,722	4,569,562	4,371,621	4,701,101	4,580,117	4,405,948	4,413,125	4,303,954
Hotel/motel and meals taxes.....	3,636,393	3,657,526	4,255,813	4,553,039	4,406,850	4,653,341	5,719,911	4,650,523	2,438,799	4,269,708
Penalties and interest on taxes.....	383,922	291,353	255,365	502,940	462,059	415,121	229,796	275,962	369,596	598,877
Payment in lieu of taxes.....	520,347	520,000	521,090	521,090	521,088	521,086	521,085	521,079	521,081	524,688
Grants and contributions not restricted to specific programs.....	2,366,346	2,389,509	2,446,724	2,448,330	2,626,949	2,755,822	2,849,798	2,838,807	2,830,157	3,084,725
Unrestricted investment income.....	335,618	273,217	236,962	746,779	687,963	756,072	2,121,185	1,983,128	2,418,605	1,164,386
Gain of sale of capital assets.....	521,600	-	-	-	-	-	-	-	-	-
Miscellaneous.....	202,500	181,101	264,849	252,221	311,448	272,599	291,774	240,832	173,684	-
Total primary government general revenues and other changes in net position.....	\$ 99,333,248	\$ 102,520,051	\$ 106,404,459	\$ 111,392,820	\$ 115,982,055	\$ 122,264,031	\$ 128,646,363	\$ 131,778,565	\$ 135,950,020	\$ 142,864,037
Changes in Net Position										
Governmental activities.....	\$ 9,195,565	\$ 6,527,754	\$ 4,722,871	\$ 2,833,936	\$ 992,440	\$ (2,538,000)	\$ 3,906,856	\$ (5,038,841)	\$ 593,719	\$ 7,306,065

The Town implemented GASB 68 and recorded their Net Pension Liability for the first time in 2015.
The Town implemented GASB 75 and recorded their OPEB Liability for the first time in 2018.

Town of Burlington, Massachusetts

Fund Balances, Governmental Funds

Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Committed.....	\$ 2,635,593	\$ 1,705,171	\$ 2,692,084	\$ 2,642,772	\$ 3,273,982	\$ 2,433,344	\$ 2,497,653	\$ 2,581,608	\$ 3,540,137	\$ 5,008,187
Assigned.....	5,238,888	7,624,521	6,861,393	8,017,447	8,113,732	9,851,474	9,168,060	9,265,422	8,277,182	5,963,417
Unassigned.....	21,765,606	25,037,238	24,057,614	27,962,793	28,594,939	29,426,744	33,969,523	35,643,414	38,317,801	49,451,320
Total general fund.....	\$ 29,640,087	\$ 34,366,930	\$ 33,611,091	\$ 38,623,012	\$ 39,982,653	\$ 41,711,562	\$ 45,635,236	\$ 47,490,444	\$ 50,135,120	\$ 60,422,924
All Other Governmental Funds										
Nonspendable.....	\$ 482,459	\$ 570,480	\$ 561,251	\$ 588,055	\$ 622,860	\$ 678,191	\$ 715,465	\$ 720,469	\$ 713,871	\$ 714,371
Restricted.....	5,679,557	3,303,818	7,734,094	9,707,085	7,528,523	15,900,480	15,428,204	22,726,981	31,702,097	19,464,628
Unassigned.....	(1,624,076)	(7,485,398)	-	-	(199,165)	(25,941)	(492,410)	-	-	(492,410)
Total all other governmental funds.....	\$ 4,537,940	\$ (3,611,100)	\$ 8,295,345	\$ 10,295,140	\$ 7,952,218	\$ 16,552,730	\$ 15,651,259	\$ 23,447,450	\$ 32,415,968	\$ 19,686,589

Town of Burlington, Massachusetts
Changes in Fund Balances, Governmental Funds
Last Ten Years

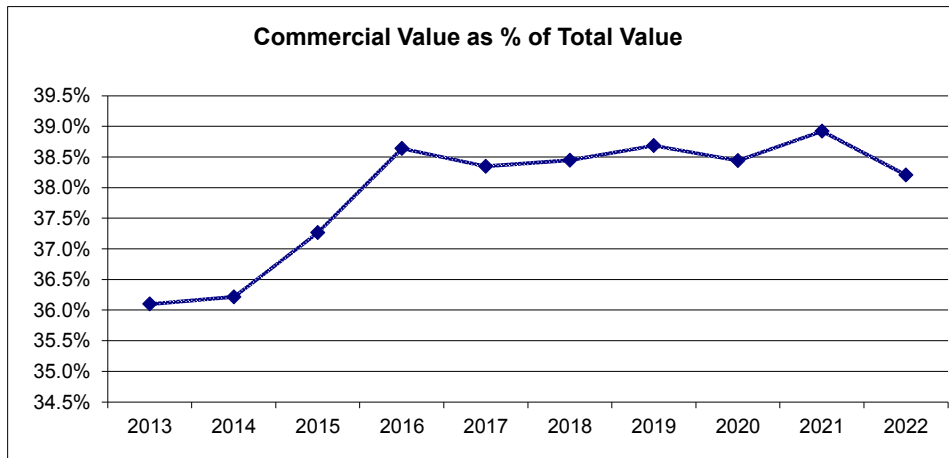
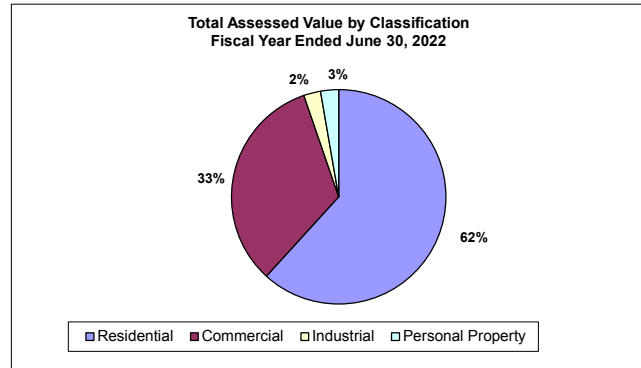
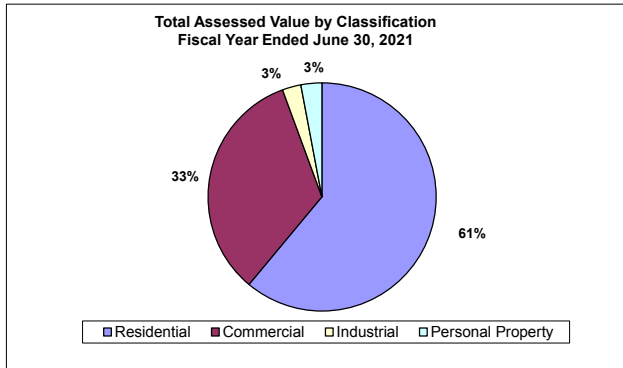
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Real estate and personal property taxes,										
net of tax refunds.....	\$ 87,511,573	\$ 91,419,009	\$ 94,364,342	\$ 97,422,787	\$ 102,441,907	\$ 108,152,059	\$ 112,529,600	\$ 116,374,473	\$ 122,797,983	\$ 127,295,791
Tax and other liens.....	281,902	218,654	173,535	597,682	302,047	269,043	154,966	157,619	236,777	899,521
Motor vehicle and other excise taxes.....	3,525,991	3,612,156	3,654,777	4,445,017	4,300,023	4,676,730	4,728,466	4,235,974	4,566,602	4,399,008
Hotel/motel and meals taxes.....	3,636,393	3,657,526	4,255,813	4,553,039	4,406,850	4,653,341	5,719,911	4,650,523	2,438,799	4,269,708
Ambulance.....	743,470	659,605	691,362	854,582	883,701	861,949	860,094	723,975	512,041	775,580
Water and sewer charges.....	9,240,758	10,007,241	10,164,519	9,857,220	9,951,388	9,536,910	9,837,388	9,496,118	9,468,798	10,487,564
Penalties and interest on taxes.....	383,922	291,353	255,365	502,940	462,059	415,121	229,796	275,962	369,596	598,877
Fees and rentals.....	342,461	453,264	504,411	599,641	427,463	442,342	457,792	432,300	552,757	542,603
Payment in lieu of taxes.....	520,347	520,000	521,090	521,088	521,088	521,086	521,079	521,085	521,081	524,688
Licenses and permits.....	2,046,545	2,772,859	2,878,533	3,100,402	3,028,400	3,330,137	3,030,530	1,862,128	1,440,711	5,086,767
Intergovernmental.....	30,078,008	24,583,703	18,719,275	21,580,606	25,363,096	28,419,651	28,451,009	30,528,664	36,964,284	27,249,500
Departmental and other.....	5,535,692	6,044,841	6,427,038	6,685,738	6,849,455	7,144,815	7,594,628	6,634,806	8,432,497	11,278,055
Contributions and donations.....	26,489	1,501,903	1,002,596	38,742	38,548	57,261	54,453	61,681	49,810	69,599
Investment income.....	330,339	267,563	230,164	561,453	503,844	519,746	1,520,258	1,282,918	1,102,033	789,310
Miscellaneous.....	255,126	228,519	502,723	474,277	387,817	941,300	601,308	402,777	832,158	903,318
Total Revenue.....	144,459,016	146,238,196	144,345,543	151,795,216	159,867,686	169,941,491	176,291,284	177,640,997	190,285,927	195,169,889
Expenditures:										
General government.....	6,394,853	6,511,826	7,802,938	5,804,651	5,970,596	6,658,485	7,121,559	6,489,315	7,214,677	8,193,020
Public safety.....	13,488,718	13,733,599	14,870,137	14,721,094	15,386,842	16,412,994	17,025,854	18,206,764	21,533,047	21,752,204
Education.....	53,328,943	58,699,538	57,398,922	60,331,384	65,110,130	70,225,351	70,565,581	70,560,012	64,920,727	76,372,439
Public works.....	6,342,475	6,568,070	11,487,236	11,196,412	8,215,506	8,707,745	8,685,126	8,309,022	18,287,119	13,293,191
Water and sewer.....	8,500,569	8,066,420	8,490,328	7,548,217	8,492,571	9,000,519	9,489,639	9,500,068	10,517,377	10,163,124
Human services.....	1,504,393	1,503,817	1,582,618	1,746,801	1,799,828	1,859,551	1,769,455	1,886,593	1,920,856	2,004,198
Culture and recreation.....	3,864,371	3,797,414	3,625,733	3,887,724	4,138,289	4,163,638	4,253,069	4,112,297	3,707,104	4,053,661
Pension benefits.....	18,235,052	18,916,521	12,701,305	15,818,297	19,897,267	20,780,933	21,589,623	25,080,321	28,162,811	21,081,449
Employee benefits.....	12,080,516	11,850,607	12,461,960	12,823,927	13,472,865	14,079,015	14,875,813	15,545,830	15,330,899	16,037,835
State and county charges.....	601,693	624,546	639,045	669,535	704,531	697,443	765,795	947,862	977,357	1,093,522
Capital outlay.....	16,789,218	13,344,606	5,488,898	7,630,493	12,140,365	14,318,811	11,484,236	18,707,985	17,881,608	21,471,253
Debt service:										
Principal.....	3,801,490	4,099,923	3,686,506	3,629,243	3,937,840	3,849,542	3,544,357	3,560,487	3,714,037	4,262,855
Interest.....	1,801,458	2,043,937	1,759,278	1,826,655	1,864,794	1,808,139	1,947,435	2,225,894	2,299,712	2,513,686
Total Expenditures.....	146,733,749	149,760,824	141,994,904	147,634,433	161,131,424	172,472,070	173,207,638	185,132,450	196,467,331	202,292,437
Excess of revenues over (under) expenditures.....	(2,274,733)	(3,522,628)	2,350,639	4,160,783	(1,263,738)	(2,530,579)	3,083,646	(7,491,453)	(6,181,404)	(7,122,548)
Other Financing Sources (Uses)										
Issuance of bonds.....	1,242,000	-	7,712,000	1,735,200	224,750	12,860,000	277,500	15,644,975	15,125,500	4,220,000
Issuance of debt refunding.....	-	-	-	2,058,000	-	-	-	5,265,025	5,737,000	-
Premium from issuance of bonds.....	374,786	100,431	81,885	1,091,629	55,707	-	153,467	1,005,467	851,894	460,973
Premium from issuance of refunding bonds.....	-	-	-	313,910	-	-	-	848,140	919,036	-
Payments to refunded bond escrow agents.....	-	-	(793,918)	(2,347,806)	-	-	-	(6,113,165)	(6,571,659)	-
Sale of capital assets.....	521,600	-	-	-	-	-	-	-	-	-
Lease financing.....	846,869	-	1,800,000	-	-	-	-	-	1,995,104	-
Transfers in.....	1,507,562	375,443	4,829,186	2,397,772	4,205,304	3,110,751	4,949,029	3,601,298	1,863,402	160,055
Transfers out.....	(1,507,562)	(375,443)	(4,829,186)	(2,397,772)	(4,205,304)	(3,110,751)	(4,949,029)	(3,601,298)	(1,863,402)	(160,055)
Total other financing sources (uses).....	2,985,255	100,431	8,799,967	2,850,933	280,457	12,860,000	430,967	16,650,442	18,056,875	4,680,973
Net change in fund balance.....	\$ 710,522	\$ (3,422,197)	\$ 11,150,606	\$ 7,011,716	\$ (983,281)	\$ 10,329,421	\$ 3,514,613	\$ 9,158,989	\$ 11,875,471	\$ (2,441,575)
Debt service as a percentage of noncapital expenditures.....	4.31%	4.50%	3.99%	3.90%	3.89%	3.58%	3.40%	3.48%	3.37%	3.75%

Town of Burlington, Massachusetts

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Direct Tax Rate	Total Town Value
2013	\$2,981,261,150	\$ 11.85	\$1,366,644,948	\$177,084,100	\$138,298,620	\$1,682,027,668	\$ 31.70	36.1%	\$ 19.01	\$4,663,288,818
2014	3,040,672,350	12.00	1,405,152,603	171,648,200	149,821,880	1,726,622,683	32.24	36.2%	19.33	4,767,295,033
2015	3,318,511,275	11.35	1,641,350,579	177,610,700	152,236,170	1,971,197,449	29.40	37.3%	18.08	5,289,708,724
2016	3,396,245,775	11.46	1,805,825,709	171,725,500	161,002,910	2,138,554,119	28.28	38.6%	17.96	5,534,799,894
2017	3,604,357,624	11.06	1,899,398,165	177,095,736	165,475,930	2,241,969,831	28.10	38.3%	17.59	5,846,327,455
2018	3,841,090,234	10.62	2,046,022,312	176,191,636	177,237,860	2,399,451,808	27.56	38.4%	17.13	6,240,542,042
2019	4,054,482,144	10.48	2,191,892,348	180,360,290	186,055,290	2,558,307,928	27.22	38.7%	16.96	6,612,790,072
2020	4,583,885,284	9.64	2,458,773,262	199,684,672	203,853,020	2,862,310,954	25.54	38.4%	15.75	7,446,196,238
2021	4,685,932,869	9.95	2,554,030,077	203,221,672	229,078,670	2,986,330,419	25.84	38.9%	16.13	7,672,263,288
2022	4,912,594,165	9.95	2,619,450,965	204,767,488	213,350,320	3,037,568,773	26.64	38.2%	16.33	7,950,162,938



Source: Assessor's Department, Town of Burlington
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Town of Burlington, Massachusetts

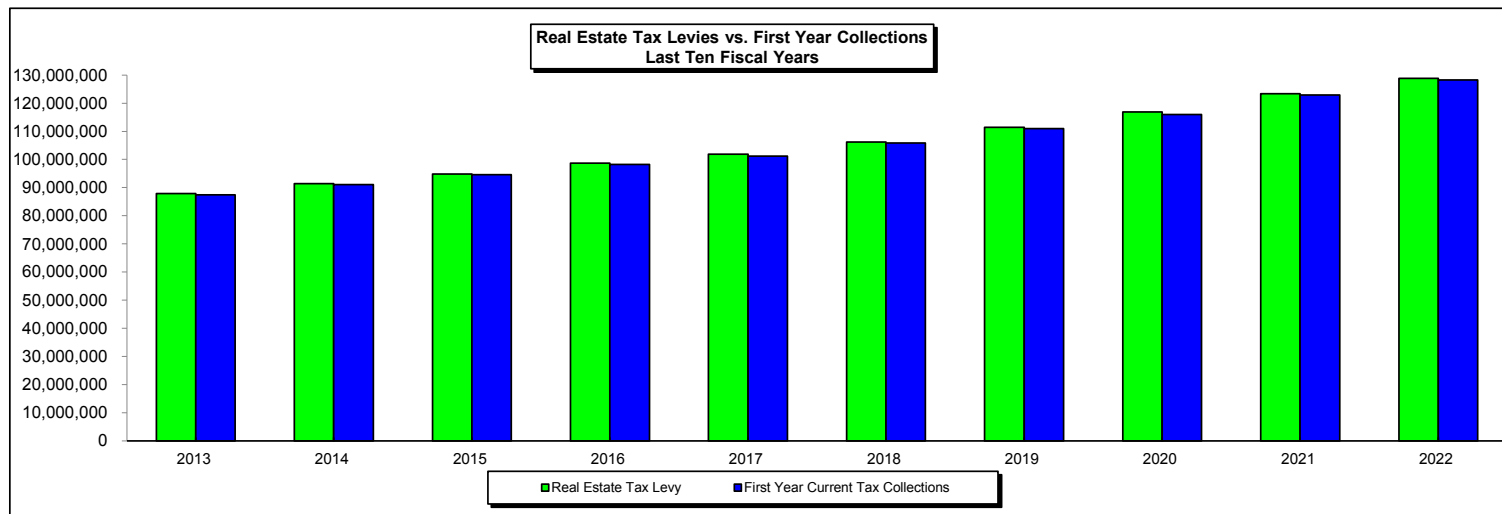
Principal Taxpayers

Current Year and Nine Years Ago

Name	Nature of Business	2022		Percentage of Total Taxable Assessed Value	2013		Percentage of Total Taxable Assessed Value
		Assessed Valuation	Rank		Assessed Valuation	Rank	
Bellwether Prop. Of Mass	Office Building	\$ 250,192,700	1	3.1%	-		
Network Drive Owner LLC	Office Building	\$ 112,790,600	2	1.4%	-		
Wayside Commons Investors LLC	Office Building	\$ 79,922,300	3	1.0%	\$ 56,021,800	6	1.2%
Oracle USA, Inc.	Computer Network Systems	\$ 77,111,000	4	1.0%	\$ 33,823,700	10	0.7%
Sreit Seven Springs LLC	Apartment Complex	\$ 73,648,000	5	0.9%	-		
First Patriot Corp	Apartment Complex	\$ 70,858,300	6	0.9%	-		
Avalon Burlington LLC	Apartment Complex	\$ 70,604,800	7	0.9%	-		
Network Drive Owner LLC	Office Building	\$ 67,912,100	8	0.9%	-		
ARCP OFC BURL (Phase 2) LLC	Office Building	\$ 67,851,400	9	0.9%	-		
EMD Millipore Corporation	Office Building	\$ 64,242,400	10	0.8%	-		
Nordblom	Office Building	-			\$ 90,683,849	4	1.9%
Netview Investment	Investment	-			\$ 110,505,994	2	2.4%
E&A Northeast LP	Office Building	-			\$ 55,005,500	7	1.2%
Gutierrez/Auburn-Oxford	Office/Real Estate Development	-			\$ 59,113,900	5	1.3%
Burlington Mall	Retail	-			\$ 179,920,700	1	3.9%
MEPT Burling LLC	Office Building	-			\$ 37,467,500	9	0.8%
N E Executive Park	Office Building	-			\$ 104,374,100	3	2.2%
Burlington Mall FB-1 LLC	Office Building	-			\$ 51,254,800	8	1.1%
Totals		\$935,133,600		11.8%	\$778,171,843		16.7%
Source: Town of Burlington, Assessor Department							

Town of Burlington, Massachusetts
Property Tax Levies and Collections
Last Ten Years

Year	Total Tax Levy	Less: Allowance for Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2013	\$88,648,222	\$774,136	\$87,874,086	99.13%	\$87,445,667	99.51%	\$428,419	\$87,874,086	100.00%
2014	92,154,384	719,180	91,435,204	99.22%	91,020,060	99.55%	415,144	91,435,204	100.00%
2015	95,618,308	766,870	94,851,438	99.20%	94,591,684	99.73%	259,754	94,851,438	100.00%
2016	99,399,287	657,037	98,742,250	99.34%	98,252,845	99.50%	489,405	98,742,250	100.00%
2017	102,863,547	1,000,000	101,863,547	99.03%	101,149,845	99.30%	514,519	101,664,364	99.80%
2018	106,921,270	706,429	106,214,841	99.34%	105,840,850	99.65%	373,991	106,214,841	100.00%
2019	112,128,115	688,750	111,439,365	99.39%	111,009,120	99.61%	430,245	111,439,365	100.00%
2020	117,292,076	411,265	116,880,811	99.65%	115,936,752	99.19%	944,059	116,880,811	100.00%
2021	123,791,810	484,659	123,307,151	99.61%	122,941,688	99.70%	365,463	123,307,151	100.00%
2022	129,801,144	1,000,000	128,801,144	99.23%	128,222,413	99.55%	-	128,222,413	99.55%



The allowance for abatements and exemptions is the tax year estimate of potential reductions of taxes. The estimate has been adjusted to reflect actual abatements granted, or potential remaining abatements, as applicable.

Town of Burlington, Massachusetts
Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	Population Estimates	Personal Income	Assessed Value	Governmental Bonded Debt				
				General Obligation Bonds	Direct Borrowings & Capital Financing	Total Long-Term Debt Outstanding	Per Capita	Percentage of Personal Income
2013	25,008	\$870,103,344	\$4,663,288,818	\$47,741,000	\$6,448,486	\$54,189,486	\$2,167	6.23%
2014	25,176	902,383,368	4,767,295,033	44,115,000	5,974,563	50,089,563	1,990	5.55%
2015	25,190	867,266,510	5,289,708,724	48,525,522	5,493,057	54,018,579	2,144	6.23%
2016	25,463	1,003,445,904	5,534,799,894	47,998,608	5,239,014	53,237,622	2,091	5.31%
2017	25,128	1,025,121,888	5,846,327,455	44,448,333	4,935,924	49,384,257	1,965	4.64%
2018	25,392	1,109,005,000	6,240,542,042	53,750,912	4,411,382	58,162,294	2,291	3.94%
2019	25,634	1,183,153,804	6,612,790,072	50,473,175	4,204,525	54,677,700	2,133	4.33%
2020	26,143	1,272,196,809	7,446,196,238	64,043,937	3,684,038	67,727,975	2,591	5.08%
2021	26,186	1,360,890,640	7,672,263,288	76,474,838	3,432,501	79,907,339	3,052	5.54%
2022	26,720	1,530,735,360	7,950,162,938	77,148,030	4,050,343	81,198,373	3,039	5.30%

Year	Total Governmental Activity				
	Lease Obligations	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2013	\$921,476	\$55,110,962	\$2,167	6.33%	1.18%
2014	319,863	50,409,426	1,990	5.59%	1.06%
2015	1,465,481	55,484,060	2,144	6.40%	1.05%
2016	1,117,689	54,355,311	2,091	5.42%	0.98%
2017	850,149	50,234,406	1,965	4.72%	0.83%
2018	574,839	58,737,133	2,291	3.99%	0.71%
2019	291,533	54,969,233	2,133	4.36%	0.78%
2020	-	67,727,975	2,591	5.11%	0.87%
2021	1,495,697	81,403,036	3,052	5.56%	0.99%
2022	-	81,198,373	3,039	5.30%	1.02%

Source: Audited Financial Statements, U. S. Census

Town of Burlington, Massachusetts
Direct and Overlapping Governmental Activities Debt

As of June 30, 2022

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Shawsheen Valley Technical Vocational School..... \$	4,030,000	9.45%	\$ 380,835
MWRA.....	3,153,683,000	1.22%	<u>38,474,933</u>
Subtotal, overlapping debt.....			<u>38,855,768</u>
Direct debt:			
General Governmental Debt.....			<u>81,198,373</u>
Total direct and overlapping debt.....			<u>\$ 120,054,141</u>

Source: Town of Burlington, Finance Department and related organizations.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of Town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Burlington, Massachusetts

Computation of Legal Debt Margin

Last Ten Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Equalized Valuation.....	\$ 4,948,189,000	\$ 5,185,943,200	\$ 5,185,943,200	\$ 6,191,239,400	\$ 6,191,239,400	\$ 7,011,898,700	\$ 7,011,898,700	\$ 8,100,649,200	\$ 8,100,649,200	\$ 9,008,541,100
Debt Limit -5% of Equalized Valuation.....	\$ 247,409,450	\$ 259,297,160	\$ 259,297,160	\$ 309,561,970	\$ 309,561,970	\$ 350,594,935	\$ 350,594,935	\$ 405,032,460	\$ 405,032,460	\$ 450,427,055
Less:										
Outstanding debt applicable to limit.....	\$ 38,037,305	\$ 35,290,745	\$ 32,150,185	\$ 36,847,825	\$ 34,528,310	\$ 32,073,395	\$ 42,771,380	\$ 55,681,540	\$ 67,343,275	\$ 67,052,200
Authorized and unissued debt.....	\$ 23,595,526	\$ 29,631,288	\$ 15,926,977	\$ 17,311,800	\$ 15,230	\$ 23,295,000	\$ 25,515,000	\$ 6,635,000	\$ 14,725,000	\$ 23,025,000
Legal debt margin.....	<u>\$ 185,776,619</u>	<u>\$ 194,375,127</u>	<u>\$ 211,219,998</u>	<u>\$ 255,402,345</u>	<u>\$ 275,018,430</u>	<u>\$ 295,226,540</u>	<u>\$ 282,308,555</u>	<u>\$ 342,715,920</u>	<u>\$ 322,964,185</u>	<u>\$ 360,349,855</u>
Total debt applicable to the limit as a percentage of debt limit.....	24.91%	25.04%	18.54%	17.50%	11.16%	15.79%	19.48%	15.39%	20.26%	20.00%

Source: Town of Burlington, Treasurer's Department

Town of Burlington, Massachusetts
Demographic and Economic Statistics
Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2013	25,008	\$ 870,103,344	\$ 34,793	42.0	3,606	4.8%
2014	25,176	\$ 902,383,368	\$ 35,843	42.0	3,579	4.9%
2015	25,190	\$ 867,266,510	\$ 34,429	42.0	3,799	3.8%
2016	25,463	\$ 1,003,445,904	\$ 39,408	42.0	3,508	3.4%
2017	25,128	\$ 1,025,121,888	\$ 40,796	47.0	3,521	3.5%
2018	25,392	\$ 1,109,005,000	\$ 43,154	47.0	3,520	2.9%
2019	25,634	\$ 1,183,153,804	\$ 45,962	47.0	3,533	2.3%
2020	26,143	\$ 1,272,196,809	\$ 48,663	47.0	3,509	13.3%
2021	26,186	\$ 1,360,890,640	\$ 51,248	44.0	3,388	5.4%
2022	26,720	\$ 1,530,735,360	\$ 57,288	45.0	3,440	2.8%

The 2020 unemployment rate increase is due to the COVID-19 pandemic.

Source: U. S. Census, Division of Local Services

Median age is based on most recent census data
MA Department of Elementary and Secondary Education
School and Town Clerk Departments, Town of Burlington
MA Office of Workforce Development
Information came from Burlington Town Report.

Town of Burlington, Massachusetts

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2022			2013		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Lahey Hospital & Medical	Health Care	5,500	1	18.3%	5,040	1	36.0%
Endurance International	Information	3,700	2	12.3%	-		-
CIRCOR International	Manufacturing	3,000	3	10.0%	-		-
Oracle	Software/Communications	1,500	4	5.0%	2,300	2	16.4%
Cerrence Inc.	Information	1,500	5	5.0%	-		-
Avid Technology Inc.	Arts and Culture	1,300	6	4.3%	800	4	5.7%
Everbridge Inc.	Information	1,300	7	4.3%	-		-
Keurig Dr. Pepper Inc.	Wholesale	800	8	2.7%	-		-
Nuance Communications	Information	575	9	1.9%	525	6	3.8%
Millipore	Life Sciene	450	10	1.5%	-		-
Siemens-Nixdorph	Information Technology	-		-	1,000	3	7.1%
Burlington Mall	Retail	-		-	750	5	5.4%
ONE Communications	Telecom	-		-	420	7	3.0%
Federal Aviation Admin.	Government	-		-	385	8	2.8%
SAP Systems	Software Systems	-		-	350	9	2.5%
I Basis	Research	-		-	300	10	2.1%
Total		<u>19,625</u>		<u>65%</u>	<u>11,870</u>		<u>85%</u>

Source: Massachusetts Workplace Development

Town of Burlington, Massachusetts
Full-time Equivalent Town Employees by Function
Last Ten Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Function										
General government.....	42	43	43	43	43	43	43	43	44	43
Public Safety.....	144	144	146	147	152	157	160	160	161	159
Education.....	544	564	570	576	578	594	598	600	603	605
Public works.....	58	58	61	64	64	64	64	64	66	66
Human services.....	20	20	20	20	20	21	21	21	21	22
Culture and recreation.....	29	29	26	31	32	32	32	32	32	32
Total	<u>837</u>	<u>858</u>	<u>866</u>	<u>879</u>	<u>888</u>	<u>909</u>	<u>918</u>	<u>920</u>	<u>926</u>	<u>926</u>

Source: Town personnel records and various Town departments.

Town of Burlington, Massachusetts
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Population.....	25,008	25,176	25,190	25,463	25,128	25,392	25,634	26,143	26,555	26,720
Registered Voters, Annual Town Election.....	15,652	15,230	15,065	15,776	16,196	16,022	16,240	16,566	17,283	17,120
Town Clerk										
Births.....	282	296	252	201	278	288	282	280	174	294
Marriages.....	125	106	130	103	115	145	119	161	76	152
Deaths.....	875	907	1,040	776	1,023	1,039	1,000	705	753	1,254
Dogs licensed.....	2,213	2,216	2,314	2,365	2,431	2,427	2,410	2,464	2,586	2,649
Police										
Documented calls for police services.....	31,524	30,305	21,186	27,629	28,971	27,756	28,333	33,494	29,427	41,190
Uniform crimes reported.....	605	573	489	592	586	544	526	473	371	496
Arrests.....	232	243	175	225	202	200	186	165	225	377
Traffic citations issued.....	4,258	3,974	3,176	4,332	6,033	3,426	4,588	1,742	1,414	2,190
Parking tickets issued.....	-	-	-	-	-	-	-	-	-	27
False burglary alarms.....	1,622	1,636	1,365	1,558	1,625	1,624	1,486	1,395	1,194	1,181
Total number of animal complaints.....	389	454	325	411	395	410	437	406	332	450
Fire										
Inspections.....	783	789	763	774	728	961	729	738	779	887
Plan reviews.....	268	319	315	268	211	280	47	326	240	67
Permits/certificates issued.....	736	800	785	980	639	636	731	680	716	733
Emergency responses.....	6,394	6,650	6,662	7,436	7,581	7,450	7,597	7,203	7,262	8,247
Building Department										
Permits issued.....	3,454	3,492	2,726	3,632	5,174	3,242	4,173	3,269	3,561	3,945
Education										
Public school enrollment.....	3,606	3,579	3,499	3,508	3,521	3,520	3,533	3,509	3,388	3,440
Public Works										
Cemetery										
Lots sold.....	54	53	54	51	59	54	46	47	61	29
interments.....	148	150	148	144	167	158	167	177	175	124
Recycling/tons.....	2,040	1,980	2,297	2,392	2,409	2,287	1,291	2,285	2,332	2,279
Human Services										
Board of Health										
Permits issued.....	617	462	294	430	335	334	382	381	371	391
Inspections.....	1,191	1,071	809	1,357	800	1,116	1,291	1,074	886	916
Volumes in collection.....	111,713	113,487	115,599	111,892	117,750	130,482	139,945	149,365	152,067	157,303
Circulation.....	331,618	311,460	285,019	277,987	276,372	249,475	312,623	201,272	171,271	238,759
Program attendance.....	9,233	9,214	9,010	9,578	11,123	10,761	11,576	8,703	4,528	8,323
Visits.....	163,047	162,113	150,292	148,694	153,331	149,561	149,872	99,361	22,470	84,113
Hours of operation.....	2,989	2,888	2,992	2,993	3,009	3,016	3,044	2,129	2,235	2,996
Youth & Family Services										
Misc resident clinical consultation hours.....	410	320	339	503	514	684	594	692	637	650
Recreation										
Participants.....	30,126	39,568	39,809	29,374	37,478	50,139	55,163	40,495	31,873	36,746

Source: Various Town Departments

Town of Burlington, Massachusetts
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Number of Buildings.....	13	13	14	14	14	14	14	14	14	14
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Police personnel and officers.....	73	73	75	75	76	77	78	79	79	79
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Fire personnel and officers.....	65	65	65	66	70	74	74	74	74	74
Education										
Number of elementary schools.....	4	4	4	4	4	4	4	4	4	4
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Number of teachers.....	300	295	299	299	308	322	315	312	315	312
Number of students.....	3,606	3,579	3,799	3,508	3,521	3,520	3,533	3,509	3,388	3,440
Public Works										
Water mains (miles).....	149	149	149	149	149	149	149	149	149	149
Sanitary sewers (miles).....	121	121	121	121	121	121	121	121	121	121
Storm sewers (miles).....	117	117	117	117	117	117	117	117	117	117
Human Services										
Senior Center Facility.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Libraries.....	1	1	1	1	1	1	1	1	1	1
Conservation land (acreage).....	283	283	283	283	283	283	283	283	283	283

Source: Various Town Departments