

# **Annual Report**

**TOWN OF FOXBOROUGH, MASSACHUSETTS**

**For The Fiscal Year Ended  
June 30, 2022**

TOWN OF FOXBOROUGH, MASSACHUSETTS  
/s/ George Samia, Finance Director

Filing Date: March 30, 2023

# THE TOWN OF FOXBOROUGH, MASSACHUSETTS

## General

The Town of Foxborough, with a land area of 20.08 square miles, is located in Norfolk County in southeastern Massachusetts approximately 24 miles south of Boston. The Town, which was settled in 1704 and incorporated as a town in 1778, was named for Charles James Fox, British Champion of the American Colonies. According to the 2020 federal census, the Town has a population of approximately 18,618 persons.

In 1781, the Foxborough Foundry was established for casting cannon and cannon balls. The weaving and braiding of straw into straw bonnets brought financial support to the Town and made it a thriving community. After the decline of this industry, the production of indicating, recording, and controlling instruments gained importance. Manufacturing is still an important part of the Town's economy. Currently Schneider Electric (formerly the Foxborough Company), maker of process control equipment, is the most important manufacturing unit, employing approximately 1,133 persons.

Two interstate highway systems serve the Town - Routes I-95 and I-495. Route I-95 is a non-stop controlled access highway running from Florida to Maine, and Route I-495 is Boston's outer belt highway which runs from Cape Cod to Massachusetts' North Shore.

## Local Government

The Town operates under a Board of Selectmen/Open Town Meeting/Town Manager form of government. The elected five-member Board of Selectmen makes policy decisions and the Town Manager is responsible for carrying out the policies and direction of the Board of Selectmen and for managing the day-to-day operations of the Town.

An elected five-member School Committee appoints a School Superintendent who administers the public school system of the Town. School Committee members, like the Board of Selectmen, are elected at-large to staggered three-year terms.

Local taxes are assessed by a board of three assessors elected for staggered three-year terms.

## Principal Town Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term Expires</u>
Selectmen:	Leah Gibson, Chairman	Elected	2024
	Stephanie A. McGowan, Vice Chairman	Elected	2023
	Seth Ferguson, Clerk	Elected	2024
	Mark S. Elfman	Elected	2025
	Dennis Keefe	Elected	2025
Town Manager	William G. Keegan	Appointed	2023
Finance Director	George Samia	Appointed	2023
Chief Treasury Officer	Paula Maloney	Appointed	N/A
Town Counsel	Patrick J. Costello	Appointed	2023
Town Clerk	Robert E. Cutler, Jr.	Elected	2025

## Corona Virus (COVID-19) Disclosure

COVID-19 is a respiratory disease caused by a novel coronavirus that has not previously been seen in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth's response to the outbreak of the virus. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to states to fight the pandemic. The Governor has removed the remaining COVID-19 restrictions and the state of emergency in The Commonwealth expired on June 15, 2021.

In response to the COVID-19 pandemic, federal and state legislation was signed into law that provides various forms of financial assistance and other relief to state and local governments. For example, the U.S. Congress enacted the CARES Act which includes various forms of financial relief. The Town was eligible to receive up to \$1,558,012 from the CARES Act and to date has incurred \$1,558,012 in COVID expenses.

Another action at the federal level was the American Rescue Plan Act of 2021 ("ARPA"). Among other provisions, ARPA provides \$350 billion to state and local governments to mitigate the fiscal disruptions created by the pandemic. Such funds may be used to replace revenues lost or reduced as a result of the pandemic and fund COVID-related costs, among other

purposes. The Town expects to receive approximately \$1.8 million in direct ARPA funds with an additional \$3,592,372 distributed to Foxborough through Norfolk County.

Pursuant to M.G.L. Chapter 44, Section 31, the Town can set up a fund specifically related to COVID-19 expenses. This fund can be used to capture all unbudgeted costs related to the COVID-19 pandemic and deficit spending for these costs, including but not limited to, overtime, cleaning and medical supplies, and IT equipment would be allowed, with the approval of the Commonwealth’s Department of Revenue.

The virus, its variants and the resulting actions by national, state and local governments are altering the behavior of businesses and people in a manner that may have negative impacts on global and local economies. There can be no assurances regarding the extent to which COVID-19 will impact the national and state economies and, accordingly, how it will adversely impact municipalities, including the Town.

In fiscal year 2020, the Town experienced minor losses in local receipt estimates, due to COVID-19, but the Town was still able to close out with positive free cash.

In fiscal year 2021, the Town once again experienced losses in local receipts estimates, but had a positive free cash closeout. The Town did not factor any stimulus into their fiscal 2022 budgeting.

A positive free cash of \$5,223,577 resulted from fiscal 2022 operations. No stimulus was factored into the fiscal 2023 budget projections.

**Municipal Services**

The Town provides general governmental services for the territory within its boundaries. These services include police and fire protection, water and sewer services, health, library, parks and playgrounds, housing, and public education in grades pre-K through 12. The principal services provided by Norfolk County are a jail, house of correction, registry of deeds, and an agricultural school.

**Education**

The Town has three elementary schools with a combined capacity of 1,400, a middle school with a capacity of 1,060 and a high school with a capacity of 1,100, and provides education from pre-school/kindergarten through grade 12, including vocational education at the Comprehensive High School. In addition, the Southeastern Regional Vocational-Technical School District provides vocational and technical education in grades 9 through 12.

**Public School Enrollments**

	Actual				
	2018	2019	2020	2021	2022
Pre-Kindergarten to 4	905	946	924	936	955
Grades 5-8	842	828	771	758	739
Grades 9-12	844	813	793	794	801
Total	2,591	2,587	2,488	2,488	2,495

**Climate Resiliency**

The Town of Foxborough receives net metering credits from several sites in town which offset the Town's monthly electric charges. In addition to the obvious cost savings from this public/private joint venture, the resulting energy produced (solar) aids in the aforementioned vulnerabilities.

**Cybersecurity**

The Town has procedures and processes in place and regular employee training regarding cybersecurity.

**Population Trends**

<u>2020</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>
18,618	16,865	16,246	14,637

Source: Federal Census.

On the basis of the 2020 federal census, the Town has a population density of 890 persons per square mile.

**Age, Income and Wealth Levels**

	<u>Foxborough</u>	<u>Norfolk County</u>	<u>Massachusetts</u>
Median Age:			
2010	42.0	39.1	37.2
2000	38.1	38.1	36.5
1990	34.2	35.1	33.6
Median Family Income:			
2010	\$110,858	\$101,870	\$81,165
2000	78,811	77,847	61,664
1990	52,509	54,915	44,367
Per Capita Income:			
2010	\$41,835	\$42,371	\$33,966
2000	32,294	32,484	25,952
1990	18,329	21,019	17,224

Source: U.S. Department of Commerce, Bureau of the Census.

**Labor Force, Employment and Unemployment Rates**

According to the Massachusetts Division of Employment and Training, in November 2022, the Town had a total labor force of 10,689 of whom 10,408 were employed and 281, or 2.6%, were unemployed as compared with 2.9% for the Commonwealth, although it is likely that the COVID-19 pandemic will adversely affect unemployment levels nationwide.

The following table sets forth the Town's average labor force and unemployment rates for calendar years 2017 through 2021 and the unemployment rates for the Commonwealth and the United States for the same period.

<u>Year</u>	<u>Town of Foxborough</u>		<u>Massachusetts</u>	<u>United States</u>
	<u>Labor Force</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>
2021	10,611	5.1 %	5.7 %	5.4 %
2020	10,360	8.2	8.9	8.1
2019	10,397	2.6	2.9	3.7
2018	10,357	3.0	3.3	3.9
2017	9,974	3.5	3.7	4.4

Source: Massachusetts Division of Employment and Training. Data based on place of residence.

## Employment by Industry

Due to the reclassification the U.S. Department of Labor now uses the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry.

Industry	Calendar Year Average				
	2017	2018	2019	2020	2021
Construction	641	648	699	576	643
Manufacturing	591	613	601	554	507
Trade, Transportation and Utilities	2,732	2,698	2,288	1,850	1,939
Information	1,025	973	936	812	803
Financial Activities	324	385	372	353	350
Professional and Business Services	3,588	3,202	3,032	2,830	2,746
Education and Health Services	1,648	1,656	1,782	1,722	1,796
Leisure and Hospitality	4,606	4,825	4,614	2,550	3,440
Other Services	274	316	361	251	255
Total Employment	15,429	15,316	14,685	11,498	12,479
Number of Establishments	719	743	747	754	765
Average Weekly Wages	\$1,338	\$1,380	\$1,505	\$1,730	\$1,672
Total Wages	\$1,087,252,644	\$1,113,715,528	\$1,165,023,138	\$1,051,927,887	\$1,102,823,579

Source: Massachusetts Department of Education and Training. Data based upon place of employment, not place of residence.

## Largest Employers

Name	Nature of Business	Number of Employees
Schneider Electric (Formerly the Foxborough Company)	Process Control	1,000-4,999
Gillette Stadium – Team Ops LLC (1)	Sports & Entertainment Stadium	1,000-4,999
Brigham & Women’s Mass General	Health Care	250-499
Advantage Sales & Marketing, LLC	Sales/Marketing	100-249
Bass Pro Shops	Sporting Goods Retailer	100-249
Bearing Point Inc.	Management Consultants	100-249
GE Lighting	Hi-Tech	100-249
Hockomock Area YMCA	Community	100-249

(1) Seasonal - number of employees reflects employment during the professional football season. Approximately 535 full time employees and 3,224 part time employees.

## Building Permits

The following table sets forth the trend in the number of building permits issued by the Town and the estimated dollar values:

Calendar Year	New Construction				Additions/Alterations		Total	
	Residential		Non-Residential		Residential/Non-Residential		No.	Value
	No.	Value	No.	Value	No.	Value	No.	Value
2022	9	\$5,206,500	12	\$65,752,492	647	\$37,388,111	668	\$108,347,103 (1)
2021	27	9,783,000	9	16,892,733	586	29,394,890	622	56,070,623
2020	16	4,130,000	2	646,920	462	16,687,746	480	21,464,666
2019	21	5,198,200	22	28,686,353	584	36,287,899	697	96,822,308
2018	39	9,472,000	1	1,170,900	873	27,059,069	913	37,701,969

Source: Town of Foxborough Building Commissioner.

(1) Increase attributable to major construction project at Gillette Stadium.

It is likely that the COVID-19 pandemic will negatively affect the total number and dollar value of building permits issued in 2020 and the current calendar year.

## PROPERTY TAXATION

The principal tax of Massachusetts cities and towns is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from funds on hand. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "Tax Limitations," below.

The estimated receipts for a fiscal year from sources other than the property tax may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Excepting special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from funds on hand for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years.

Although an allowance is made in the tax levy for abatements ("Abatements and Overlay," below), no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits," below).

### Tax Levy Computation

Following are the tax levy computations of the Town for the last five fiscal years:

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Total Appropriations	\$ 86,318,868	\$ 84,098,818	\$ 84,980,632	\$ 88,692,548	\$ 90,915,982
Additions:					
State & County Assessments	2,742,587	2,519,982	2,608,140	2,781,801	2,872,684
Overlay Reserve (1)	1,124,962	1,114,948	1,087,651	1,093,257	1,086,142
Other Additions	421,616	368,691	125,127	329,443	197,347
Total Additions	<u>4,289,165</u>	<u>4,003,620</u>	<u>3,820,918</u>	<u>4,204,501</u>	<u>4,156,173</u>
Gross Amount to be Raised	<u>90,608,033</u>	<u>88,102,438</u>	<u>88,801,550</u>	<u>92,897,049</u>	<u>95,072,155</u>
Deductions:					
Estimated Receipts - Local	19,886,672	21,531,304	18,993,325	20,180,407	21,204,381
Estimated Receipts - State (2)	11,184,071	11,160,412	11,237,436	11,345,873	11,887,321
Available Funds:					
Free Cash	4,630,106	2,075,670	1,448,708	2,721,453	1,263,000
Other	4,956,375	1,267,642	3,218,986	2,686,867	2,628,837
Total Deductions	<u>40,657,224</u>	<u>36,035,028</u>	<u>34,898,455</u>	<u>36,934,600</u>	<u>36,983,539</u>
Net Amount to be Raised (Tax Levy)	<u>\$ 49,950,809</u>	<u>\$ 52,067,410</u>	<u>\$ 53,903,095</u>	<u>\$ 55,962,449</u>	<u>\$ 58,088,616</u>

Source: Finance Director.

Note: Property tax rates may not be set by the local assessors until they have been approved by the Commissioner of Revenue.

(1) Allowance for abatements.

(2) Includes state aid as well as other payments from the Commonwealth.

## Assessed Valuations

Property is classified for the purpose of taxation according to its use. The legislature has in substance created four classes of taxable property: (1) residential real property, (2) open space land, (3) commercial and (4) industrial. Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. The share required to be borne by residential real property is at least 50 per cent of its share of the total taxable valuation; the effective rate for open space must be at least 75 per cent of the effective rate for residential real property; and the share of commercial, industrial and personal property must not exceed 175 percent of their share of the total valuation. A city or town may also exempt up to 35 percent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every five years or pursuant to a revised schedule as may be issued by the Commissioner.

Related statutes provide that certain agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property.

Valuation of real and personal property in the Town is established by the Board of Assessors. The Town's last revaluation occurred in fiscal year 2017. The next professional revaluation is expected to take place in fiscal year 2025.

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality. This is known as the "equalized value". See "DEBT LIMITS" below.

The following table sets forth the trend in the Town's assessed and equalized valuations:

Fiscal Year	Assessed Valuations (1)			Equalized Valuation (2)	Assessed Valuation as a Percent of Equalized
	Real Property	Personal Property	Total		
2023	\$3,723,649,700	\$133,339,760	\$3,856,989,460	\$3,825,226,800 (3)	100.8%
2022	3,487,635,800	135,774,130	3,623,409,930	3,632,254,300	99.8
2021	3,334,420,500	118,582,460	3,453,002,960	3,632,254,300	95.1
2020	3,248,468,500	122,188,460	3,370,656,960	3,309,738,100	101.8
2019	3,084,625,400	123,059,570	3,207,684,970	3,309,738,100	96.9

(1) Source: Massachusetts Department of Revenue.

(2) Source: Massachusetts Department of Revenue - Equalized valuations are established as of January 1 of even-numbered years for the next two years.

(3) Proposed.

## Classification of Property

The following table sets forth the classification of the Town's assessed valuation for the following years:

Type	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Assessed Valuation	% of Total	Assessed Valuation	% of Total	Assessed Valuation	% of Total
Residential	\$ 3,068,336,692	79.6 %	\$ 2,847,822,608	78.6 %	\$ 2,699,661,732	78.2 %
Commercial	576,878,608	15.0	566,535,392	15.6	561,778,568	16.3
Industrial	78,434,400	2.0	73,277,800	2.0	72,980,200	2.1
Personal	133,339,760	3.5	135,774,130	3.7	118,582,460	3.4
Total	<u>\$ 3,856,989,460</u>	<u>100.0 %</u>	<u>\$ 3,623,409,930</u>	<u>100.0 %</u>	<u>\$ 3,453,002,960</u>	<u>100.0 %</u>

## State Equalized Valuation

In order to determine appropriate relative values for the purposes of certain distributions to, and assessments upon cities and towns, the Commissioner of Revenue biennially makes a determination of the fair cash value of the taxable property in each municipality as of January 1 of even-numbered years. This is known as the "equalized value". The following table sets forth the equalized valuations of the Town over the last decade and the percentage increase or (decrease).

<u>January 1,</u>	<u>State Equalized Valuation</u>	<u>% Change</u>
2022	\$ 3,825,226,800	5.31 %
2020	3,632,254,300	9.74
2018	3,309,738,100	11.67
2016	2,963,786,200	9.67
2014	2,702,432,200	(3.11)
2012	2,789,105,500	(8.59)

## Largest Taxpayers

Following are the largest taxpayers in the Town, based upon assessed valuations for fiscal 2023, all of whom are current in their tax payments:

<u>Name</u>	<u>Nature of Business</u>	<u>Fiscal 2023</u>		
		<u>Assessed Valuation</u>	<u>Amount of Tax</u>	<u>% of Net Levy</u>
Foxboro Realty Associates/NPP LLC	Sports Entertainment	\$ 219,767,800	\$ 4,037,134	7.08 %
Mayfair Realty	Apartments	65,304,900	927,983	1.63
MCPF Foxborough LLC	Apartments	54,355,400	772,390	1.36
Foxborough Lodge Limited	Apartments	48,427,600	688,156	1.21
Massachusetts Electric Co.	Electric Utility	36,279,240	666,450	1.17
Medical Information Technology	Software/Services	31,671,000	581,796	1.02
Invensys Systems Schneider Electric	CIP	30,951,300	568,575	1.00
Elm Ledge Co. Walnut LLC, Spruce	Apartments	27,767,700	394,579	0.69
NPP Development LLC	Hotel	20,698,100	380,224	0.67
Eversource Gas	Gas Utility	17,114,390	314,391	0.55
	Totals	<u>\$ 552,337,430</u>	<u>\$ 9,331,679</u>	<u>16.37 %</u>

Source: Finance Assessing Division.

## Abatements and Overlay

The Town is authorized by law to increase each tax levy by an amount approved by the State Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted or refunds are made in excess of the applicable overlay, the excess is required to be added to the next tax levy.

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The Board of Assessors may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue. But uncollected real property taxes are ordinarily not written off until they become municipal "tax titles" by purchase at public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.



The following table sets forth the amount of overlay reserve for each of the fiscal years indicated and abatements or exemptions granted with respect to each such fiscal year:

Fiscal Year	Overlay Allowance			Abatements Granted through June 30, 2022
	Net Tax Levy (1)	Dollar Amount	Percent of Net Levy	
2022	\$54,869,192	\$1,093,257	1.99%	\$33,2717
2021	52,815,444	1,087,651	2.06	340,102
2020	50,952,463	1,114,948	2.19	280,867
2019	48,825,847	1,124,962	2.30	329,240
2018	46,401,101	1,268,313	2.73	468,885

Source: Finance Director

(1) Total tax levy net of overlay for abatements.

### Tax Collections

The taxes for each fiscal year are due in two installments on November 1 (subject to deferral if tax bills are sent out late) and May 1, unless the city or town accepts a statute providing for quarterly tax payments. Under that statute, preliminary tax payments are due on August 1 and November 1, with payment of the actual tax bill (after credit is given for the preliminary payments) in installments on February 1 and May 1 if actual tax bills are mailed by December 31. Interest accrues on delinquent taxes at the rate of 14 percent per annum. Starting in Fiscal Year 2012, the Town of Foxborough collects taxes on a quarterly basis. The Town delayed the payment of the fiscal 2020 fourth quarter tax payments from May 1 to June 1, 2020.

The following table presents the Town's net tax collections with its net tax levies (gross tax levy less overlay reserve for abatements) for the last five fiscal years:

Fiscal Year	Gross Tax Levy	Overlay Reserve for Abatements	Net Tax Levy	Collections During Fiscal Year Payable		Collections as of June 30, 2022	
				Dollar Amount	% of Net Levy	Dollar Amount	% of Net Levy
2022	\$ 55,962,449	\$ 1,093,257	\$ 54,869,192	\$ 55,417,196	101.00 %	\$ 55,417,196	101.00 %
2021	53,903,095	1,087,651	52,815,444	52,914,952	100.19	52,914,952	100.19
2020	52,067,410	1,114,948	50,952,462	51,014,048	100.12	51,014,048	100.12
2019	49,950,809	1,124,962	48,825,847	48,708,616	99.76	49,092,948	100.55
2018	47,669,414	1,268,313	46,401,101	44,876,437	96.71	44,867,044	96.69

Source: Board of Assessors as to rates and levies; Finance Director as to collections.

### Tax Titles and Possessions

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for non-payment of taxes thereon. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments) it can be foreclosed by petition to the land court. It is the policy of the Town to place all properties with unpaid taxes into tax title within six months of the end of the fiscal year for which the taxes are unpaid.

Upon such foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of like any land held for municipal purposes. Uncollectible real property taxes are ordinarily not written off until they become municipal tax titles (either by purchase at the public sale or by taking), at which time the tax is written off in full by reserving the amount of tax and charging surplus.

## Taxes Outstanding

The following table sets forth the amount of aggregate overdue property taxes and tax liens and foreclosures outstanding as of the end of the last five fiscal years:

<u>Fiscal Year</u>	<u>Aggregate Overdue Property Taxes at FY-End (1)</u>	<u>Tax Liens</u>	<u>Tax Foreclosures</u>
2022	\$577,569	\$1,461,443	\$219,120
2021	594,210	1,403,163	219,119
2020	688,773	1,222,435	239,096
2019	365,722	1,129,472	136,253
2018	374,763	1,174,131	136,253

Source: Finance Director.

(1) Excludes abated taxes. Includes taxes and tax lien in litigation if any.

## Sale of Tax Receivables

Cities and towns are authorized to sell delinquent property tax receivable by public sale or auction, either individually or in bulk. The Town does not expect to utilize this option at the present time.

## Taxation to Meet Deficits

As noted elsewhere (see “*Abatements and Overlay*” above) overlay deficits, i.e. tax abatements in excess of the overlay included in the tax levy to cover abatements, are required to be added to the next tax levy. It is generally understood that revenue deficits, i.e. those resulting from non-property tax revenues being less than anticipated, are also required to be added to the tax levy (at least to the extent not covered by surplus revenue).

Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for major disasters, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, utilities must be paid at established rates and certain established salaries, e.g. civil service, must legally be paid for work actually performed, whether or not covered by appropriations.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, to cover deficits arising from other causes, such as “free cash” deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that such deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

## Tax Limitations

Chapter 59, Section 21C of the general laws, also known as Proposition 2½, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year’s valuation.

This “growth” limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the “growth” limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in

each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit “to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year”.

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen or the town council of a town may vote to exclude from the Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water or sewer purposes, provided that the municipality’s sewer or water charges are reduced accordingly.

In addition, Proposition 2 ½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year’s assessments and (b) “any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option”. Regional water districts, regional sewerage districts and regional veterans districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district’s governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under Proposition 2 ½ any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

### Unused Levy Capacity (1)

	Fiscal Year				
	2023	2022	2021	2020	2019
Primary Levy Limit (2)	\$ 96,424,737	\$ 90,585,248	\$ 86,325,074	\$ 84,266,424	\$ 80,192,124
Prior Fiscal Year					
Levy Limit	53,876,279	51,761,247	49,768,722	47,576,229	45,237,199
2.5% Levy Growth	1,346,907	1,294,031	1,244,218	1,189,406	1,130,930
Current Fiscal Year					
New Growth (3)	923,525	821,001	748,307	1,003,087	1,208,100
Current Fiscal Year Override	-	-	-	-	-
Growth Levy Limit	56,146,711	53,876,279	51,761,247	49,768,722	47,576,229
Current Fiscal Year Debt					
Exclusions	1,982,704	2,111,780	2,180,224	2,341,607	2,404,100
Current Fiscal Year Capital					
Expenditure Override	-	-	-	-	-
Tax Levy Limit	58,129,415	55,988,059	53,941,471	52,110,329	49,980,329
Tax Levy	58,088,616	55,962,449	53,903,095	52,067,410	49,950,809
Unused Levy Capacity (4)	\$ 40,799	\$ 25,610	\$ 38,376	\$ 42,919	\$ 29,520
Unused Primary Levy					
Capacity (5)	\$ 40,278,026	\$ 36,708,969	\$ 34,563,827	\$ 34,497,702	\$ 32,615,895

(1) Source: Massachusetts Department of Revenue

(2) 2.5% of assessed valuation.

(3) Allowed increase for new valuations - certified by the Department of Revenue.

(4) Tax Levy Limit Less Tax Levy.

(5) Primary Levy Limit Less Growth Levy Limit.

## **Impact of Proposition 2 1/2**

As illustrated by the table above, the Town's primary response to the fiscal constraints imposed by Proposition 2 1/2 has been to vote to exempt a significant portion of its long-term debt from Proposition 2 1/2. Since 1994, the Town of Foxborough has voted to exempt debt service on \$28,167,073 principal amount of school bonds, \$2,250,000 landfill closure bonds, \$10,438,462 public safety building bonds and \$2,315,538 additional public safety building bonds from its limits. On May 4, 2009, the Town voted to exempt debt service on the \$19,887,694 High School remodeling bonds authorization from the limits of Proposition 2 1/2. The Massachusetts School Building Authority has approved construction grants for the high school remodeling project equal to approximately 49.3 percent of eligible project costs.

## **Pledged Taxes**

Taxes on the increased value of certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes. (See "Tax Increment Financing for Development Districts" below).

## **Initiative Petitions**

Various proposals have been made in recent years for legislative amendments to the Massachusetts Constitution to impose limits on state and local taxes. To be adopted such amendments must be approved by two successive legislatures and then by the voters at a state election.

## **Community Preservation Act**

The Massachusetts Community Preservation Act (the "CPA") permits cities and towns that accept its provisions to levy a surcharge on its real property tax levy, dedicate revenue (other than state or federal funds), and to receive state matching funds for (i) the acquisition, creation, preservation, rehabilitation and restoration of land for recreational use, open space, and community housing and (ii) the acquisition, preservation, rehabilitation and restoration of historic resources. The provisions of the CPA must be accepted by the voters of the city or town at an election after such provisions have first been accepted by either a vote of the legislative body of the city or town or an initiative petition signed by 5% of its registered voters.

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2 1/2 (see "*Tax Limitations*" under "PROPERTY TAXATION" above). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

Any city or town that accepts the provisions of the CPA will receive annual state matching grants to supplement amounts raised by its surcharge and dedication of revenue. The state matching funds are raised from certain recording and filing fees of the registers of deeds. Those amounts are deposited into a state trust fund and are distributed to cities and towns that have accepted the provisions of the CPA, which distributions are not subject to annual appropriation by the state legislature. The amount distributed to each city and town is based on a statutory formula and the total state distribution made to any city or town may not exceed 100% of the amount raised locally by the surcharge on the real property tax levy.

The amounts raised by the surcharge on taxes, the amounts of other dedicated revenues and the amounts received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community

preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for community housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and other dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

**The Town has not adopted the Community Preservation Act.**

## TOWN FINANCES

### Budget and Appropriation Process

The annual appropriations of a town are ordinarily made at the annual meeting which takes place in February, March, April, May or June. Appropriations may also be voted at special meetings. Every town must have an appropriation, advisory or finance committee. The committee (or the board of selectmen if authorized by by-law) is required to submit a budget of proposed expenditures at the annual town meeting.

Town meeting may at any time vote to transfer any amount previously appropriated to any other authorized use by law, and, under certain circumstances and subject to certain limits and requirements, the selectmen of a town, with the concurrence of the finance committee, may transfer amounts appropriated for the use of any department to any other appropriation for the same department or to any other department.

Water and sewer department expenditures are included in the budgets adopted by town meetings but electric and gas department funds may be appropriated by the municipal light boards. Under certain legislation any city or town which accepts the legislation may provide that the appropriation for the operating costs of any department may be offset, in whole or in part, by estimated receipts from fees charged for services provided by the department. It is assumed that this general provision does not alter the pre-existing power of an electric or gas department to appropriate its own receipts.

The school budget is limited to the total amount appropriated by the town meeting, but the school committee retains full power to allocate the funds appropriated.

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for, and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy. (See Property Taxation above.)

### Operating Budget Trends

The following table sets forth the trend in the Town's Operating Budgets; the budgets exclude expenditures for "non-operating" or extraordinary items.

#### BUDGET COMPARISON

	FY-23 Budget <u>Appropriated</u>	FY-22 Budget <u>Appropriated</u>	FY-21 Budget <u>Appropriated</u>	FY-20 Budget <u>Appropriated</u>	FY-19 Budget <u>Appropriated</u>
General Government	\$ 4,260,779	\$ 4,260,089	\$ 3,507,760	\$ 3,361,085	\$ 3,395,411
Public Safety	10,294,944	10,096,106	10,097,573	9,591,284	8,986,885
Education	40,446,762	39,388,783	38,182,233	36,596,761	35,435,607
Public Works	11,526,763	11,541,013	10,861,933	9,797,705	9,102,395
Health & Human Services	1,253,121	1,228,684	1,095,597	1,069,576	1,110,117
Culture & Recreation	1,182,614	1,153,319	1,271,847	1,234,160	1,158,082
Debt Service	3,492,054	3,637,570	3,713,923	2,958,362	3,032,753
Insurance & Other	16,561,744	15,462,867	15,222,059	14,527,583	13,449,214
Capital Outlay	-	-	-	-	239,313
<b>Total</b>	<u><u>\$ 89,018,781</u></u>	<u><u>\$ 86,768,431</u></u>	<u><u>\$ 83,952,925</u></u>	<u><u>\$ 79,136,516</u></u>	<u><u>\$ 75,909,777</u></u>

Source: Finance Director.

### Education Reform

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs, and may affect the level of state aid to be received for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors.

Since its passage, the Town has complied with the Act and appropriations for education have equaled or exceeded the minimum required level.

### Capital Improvement Program

The Town of Foxborough maintains a formalized five-year Capital Improvement Program that assists the Town management in establishing a framework for its budget and prioritizing capital projects.

The Capital Improvement Program process begins by each department in the Town submitting project proposal forms for the projects it wishes to undertake. Such proposals are not for capital projects and improvements including major non-recurring tangible assets and vehicles and equipment which are purchased or undertaken at intervals of not less than five years, have a useful life of at least five years and cost over \$25,000. A committee comprised of one member of the Board of Selectmen, one member of the Advisory Committee, one member of the Board of Water and Sewer Commissioners, the Town Manager and the School Superintendent or her designee is given the responsibility of reviewing the proposals submitted by the various departments. The Finance Director is an ex-officio committee staff member without the right to vote and the Town Manager serves as Chairman of the Committee.

Upon consideration of the project's relative need, impact timing and cost of the expenditure and the effect it will have on the financial position of the Town, the Committee makes recommendations to the Board of Selectmen which submits its approved Capital Budget to the Town for adoption at the Annual Town Meeting.

### Revenues

Property Taxes: Property taxes are the major source of revenue of the Town. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "Tax Limitations," above.

State Aid: The Town's state aid entitlement is based upon a number of different formulas, and while said formulas might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid but actual payments may vary from the estimate.

In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use, and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. The formulas for determining a municipality's state aid entitlement are subject to amendment by the state legislature and, while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

In the fall of 1986, legislation was enacted placing limits on the growth of state tax revenues. In essence, the growth in state tax revenue is limited to the average rate of growth in wages and salaries in the Commonwealth over the previous three calendar years. The effect of this legislation could be to restrict the amount of state tax revenue available to provide state financial assistance to the Commonwealth's cities, towns and regional school districts.

Following are state aid payments received by the Town (including aid to education, revenue sharing and capital project grants) for the last five fiscal years:

<u>Fiscal Year</u>	<u>State Aid Receipts</u>
2022	\$ 13,918,713
2021	13,808,302
2020	15,457,538 (1)
2019	11,148,037
2018	10,907,217

Source: Finance Director.

(1) Includes Southeastern Massachusetts Regional 911 District grant of \$1,666,572.

State School Building Assistance Program: Under its school building assistance program, The Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26,

2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

Pursuant to legislation which became effective on July 26, 2004, the state legislature created the Massachusetts School Building Authority (the "Authority") to finance and administer the school building assistance program. The Authority has assumed all powers and obligations of the Board of Education with respect to the program. In addition to certain other amounts, the legislation dedicates a portion of Commonwealth sales tax receipts to the Authority to finance the program.

The range of reimbursement rates for new project grant applications submitted to the Authority is between 31% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

Federal Aid: In addition to state aid, the Town annually receives certain amounts of federal aid. Following is a history of federal aid receipts of the Town for fiscal years 2018 through fiscal year 2022.

<u>Fiscal Year</u>	<u>Federal Aid</u>
2022	\$ 1,609,549
2021	3,851,902
2020	3,050,821
2019	1,847,102
2018	1,066,567

Motor Vehicle Excise Tax: An excise is imposed on the registration of motor vehicles (subject to exemptions) at a uniform rate of \$25 per \$1,000 of valuation. The excise is collected by and for the benefit of the municipality in which the motor vehicle is customarily kept. Valuations are determined by a statutory formula based on manufacturers' list price and year of manufacture. Bills not paid when due bear interest at 12 percent per annum. Provision is also made, after notice to the owner, for suspension of the owner's operating license or registration by the registrar of motor vehicles.

The following table sets forth the trend in the Town's collections:

<u>Fiscal Year</u>	<u>Motor Vehicle Receipts(1)</u>
2022	\$ 3,022,227
2021	3,082,968
2020	2,954,680
2019	3,148,412
2018	2,987,432

(1) Net after refunds. Includes receipts from prior years' levies.

Room Occupancy Excise Tax: Under this tax, local governments may tax the provision of hotel, motel and lodging house rooms at a rate not to exceed six percent (6%) of the cost of renting such rooms. The tax is paid by the operator of the hotel, motel or lodging house to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located in quarterly distributions. The following table presents a five-year history of such receipts by the Town:

<u>Fiscal Year</u>	<u>Room Occupancy Receipts</u>
2022	\$ 1,553,098
2021	612,568 (1)
2020	1,741,017
2019	1,934,868
2018	1,766,027

Source: Town Accountant.

(1) Decrease attributable to the effects of the COVID-19 pandemic.



Local Meals Excise Tax: The Town adopted the local option meals tax in fiscal 2011 which became effective at the beginning of fiscal 2012. The tax is 0.75% on all sales of meals in the Town of Foxborough including beverages. The Town now receives payment of this tax from the State on a quarterly basis. The following table sets forth the trend of such receipts by the Town:

<u>Fiscal Year</u>	<u>Receipts</u>
2022	\$ 1,061,303
2021	494,914 (1)
2020	904,217
2019	1,019,762
2018	1,033,619

Source: Town Accountant.

(1) Decrease attributable to the effects of the COVID-19 pandemic.

### **Water, Sewer and Sanitation Services**

The Town provides water and sewer and sanitation services. The services are fully funded by user charges established to produce sufficient revenue to recover all costs, including debt service and administrative costs and are accounted for as enterprise funds.

	<u>FY 2022 Revenues</u>	<u>FY 2022 Expenses</u>	<u>Net Assets at June 30, 2022</u>
Water Services	\$7,491,365	\$7,925,096	\$632,010
Sewer Services	1,800,435	1,818,818	590,291
Sanitation Services	-	-	-

### **Annual Audits**

The Town of Foxborough is audited annually by R.E. Brown & Company, Certified Public Accountants, of Mendon, Massachusetts.

### **Financial Statements**

Set forth below are Governmental Funds Balance Sheets for fiscal years ending June 30, 2022, June 30, 2021 and June 30, 2020, and Statement of Revenues and Expenditures (Governmental Funds) for fiscal years ending June 30, 2022, June 30, 2021, June 30, 2020, June 30, 2019 and June 30, 2018. All such statements are extracted from the Town's audited financial statements.

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2022**

<u>ASSETS</u>	<u>GENERAL</u>	<u>SCHOOL BUILDING</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
CASH AND SHORT-TERM INVESTMENTS	\$ 14,569,655	\$ 2,281,954	\$ 9,802,402	\$ 26,654,011
INVESTMENTS	4,152,859	-	413,799	4,566,658
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:				
REAL ESTATE AND PERSONAL PROPERTY TAXES	417,969	-	-	417,969
TAX LIENS	1,465,441	-	-	1,465,441
MOTOR VEHICLE EXCISE TAXES	416,372	-	-	416,372
DEPARTMENTAL AND OTHER	500	-	643,063	643,563
INTERGOVERNMENTAL	7,168	-	1,262,538	1,269,706
<b>TOTAL ASSETS</b>	<b>\$ 21,029,964</b>	<b>\$ 2,281,954</b>	<b>\$ 12,121,802</b>	<b>\$ 35,433,720</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 3,910,955	\$ 1,291,114	\$ 282,932	\$ 5,485,001
OTHER LIABILITIES	18,063	-	282,370	300,433
<b>TOTAL LIABILITIES</b>	<b>3,929,018</b>	<b>1,291,114</b>	<b>565,302</b>	<b>5,785,434</b>
DEFERRED INFLOWS OF RESOURCES:				
UNAVAILABLE REVENUE	2,157,796	-	643,063	2,800,859
FUND BALANCES:				
NONSPENDABLE	-	-	174,565	174,565
RESTRICTED	373,174	990,840	11,541,779	12,905,793
COMMITTED	516,260	-	-	516,260
ASSIGNED	3,696,563	-	-	3,696,563
UNASSIGNED	10,357,153	-	(802,907)	9,554,246
<b>TOTAL FUND BALANCES</b>	<b>14,943,150</b>	<b>990,840</b>	<b>10,913,437</b>	<b>26,847,427</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>	<b>\$ 21,029,964</b>	<b>\$ 2,281,954</b>	<b>\$ 12,121,802</b>	<b>\$ 35,433,720</b>

**SOURCE:** Extracted from audited financial statements of the Town.

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021**

<u>ASSETS</u>	<u>GENERAL</u>	<u>SCHOOL BUILDING</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
CASH AND SHORT-TERM INVESTMENTS	\$ 14,772,571	\$ 4,868,263	\$ 7,284,176	\$ 26,925,010
INVESTMENTS	4,230,897	-	732,811	4,963,708
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:				
REAL ESTATE AND PERSONAL PROPERTY TAXES	461,810	-	-	461,810
TAX LIENS	1,403,163	-	-	1,403,163
MOTOR VEHICLE EXCISE TAXES	318,589	-	-	318,589
DEPARTMENTAL AND OTHER	750	-	623,637	624,387
INTERGOVERNMENTAL	3,911	-	1,618,073	1,621,984
<b>TOTAL ASSETS</b>	<b>\$ 21,191,691</b>	<b>\$ 4,868,263</b>	<b>\$ 10,258,697</b>	<b>\$ 36,318,651</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 5,556,978	\$ 2,316,848	\$ 333,939	\$ 8,207,765
OTHER LIABILITIES	21,063	-	181,444	202,507
<b>TOTAL LIABILITIES</b>	<b>5,578,041</b>	<b>2,316,848</b>	<b>515,383</b>	<b>8,410,272</b>
DEFERRED INFLOWS OF RESOURCES:				
UNAVAILABLE REVENUE	1,980,082	-	623,637	2,603,719
FUND BALANCES:				
NONSPENDABLE	-	-	174,565	174,565
RESTRICTED	442,251	2,551,415	9,505,702	12,499,368
COMMITTED	537,891	-	-	537,891
ASSIGNED	3,593,946	-	-	3,593,946
UNASSIGNED	9,059,480	-	(560,590)	8,498,890
<b>TOTAL FUND BALANCES</b>	<b>13,633,568</b>	<b>2,551,415</b>	<b>9,119,677</b>	<b>25,304,660</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>	<b>\$ 21,191,691</b>	<b>\$ 4,868,263</b>	<b>\$ 10,258,697</b>	<b>\$ 36,318,651</b>

**SOURCE:** Extracted from audited financial statements of the Town.

TOWN OF FOXBOROUGH, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020

<u>ASSETS</u>	<u>GENERAL</u>	<u>SCHOOL BUILDING</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
CASH AND SHORT-TERM INVESTMENTS	\$ 13,042,102	\$ 13,024,842	\$ 5,114,600	\$ 31,181,544
INVESTMENTS	4,136,526	-	903,786	5,040,312
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:				
REAL ESTATE AND PERSONAL PROPERTY TAXES	570,174	-	-	570,174
TAX LIENS	1,222,436	-	-	1,222,436
MOTOR VEHICLE EXCISE TAXES	330,199	-	-	330,199
DEPARTMENTAL AND OTHER	1,064	-	311,305	312,369
INTERGOVERNMENTAL	2,639	-	1,111,586	1,114,225
OTHER ASSETS	17,570	-	-	17,570
<b>TOTAL ASSETS</b>	<b>\$ 19,322,710</b>	<b>\$ 13,024,842</b>	<b>\$ 7,441,277</b>	<b>\$ 39,788,829</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 4,277,420	\$ 3,663,341	\$ 116,627	\$ 8,057,388
OTHER LIABILITIES	18,063	-	-	18,063
<b>TOTAL LIABILITIES</b>	<b>4,295,483</b>	<b>3,663,341</b>	<b>116,627</b>	<b>8,075,451</b>
DEFERRED INFLOWS OF RESOURCES:				
UNAVAILABLE REVENUE	1,983,576	-	311,305	2,294,881
FUND BALANCES:				
NONSPENDABLE	-	-	172,565	172,565
RESTRICTED	513,836	9,361,501	6,972,643	16,847,980
COMMITTED	388,099	-	-	388,099
ASSIGNED	3,508,747	-	-	3,508,747
UNASSIGNED	8,632,969	-	(131,863)	8,501,106
<b>TOTAL FUND BALANCES</b>	<b>13,043,651</b>	<b>9,361,501</b>	<b>7,013,345</b>	<b>29,418,497</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>	<b>\$ 19,322,710</b>	<b>\$ 13,024,842</b>	<b>\$ 7,441,277</b>	<b>\$ 39,788,829</b>

**SOURCE:** Extracted from audited financial statements of the Town.

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2022**

	GENERAL	SCHOOL BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 55,554,240	\$ -	\$ -	\$ 55,554,240
INTERGOVERNMENTAL	16,927,517	3,539,262	6,332,383	26,799,162
MOTOR VEHICLE EXCISE TAXES	3,022,227	-	-	3,022,227
PAYMENTS IN LIEU OF TAXES	2,194,034	-	-	2,194,034
PENALTIES AND INTEREST ON TAXES	189,168	-	-	189,168
CHARGES FOR SERVICES	-	-	6,954,199	6,954,199
INVESTMENT INCOME	(17,761)	-	14,147	(3,614)
CONTRIBUTIONS & DONATIONS	-	-	295,002	295,002
DEPARTMENTAL AND OTHER	6,354,805	-	454,708	6,809,513
<b>TOTAL REVENUES</b>	<b>84,224,230</b>	<b>3,539,262</b>	<b>14,050,439</b>	<b>101,813,931</b>
<b>EXPENDITURES:</b>				
CURRENT:				
GENERAL GOVERNMENT	4,514,899	-	320,589	4,835,488
PUBLIC SAFETY	10,723,451	-	4,589,066	15,312,517
EDUCATION	40,850,100	5,099,837	5,042,748	50,992,685
PUBLIC WORKS	2,622,262	-	660,980	3,283,242
HUMAN SERVICES	1,133,799	-	111,099	1,244,898
CULTURE & RECREATION	1,210,159	-	450,858	1,661,017
EMPLOYEE BENEFITS	20,685,695	-	126,147	20,811,842
STATE & COUNTY ASSESSMENTS	620,842	-	-	620,842
DEBT SERVICE				
PRINCIPAL	2,611,000	-	30,000	2,641,000
INTEREST	1,051,778	-	-	1,051,778
<b>TOTAL EXPENDITURES</b>	<b>86,023,985</b>	<b>5,099,837</b>	<b>11,331,487</b>	<b>102,455,309</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,799,755)</b>	<b>(1,560,575)</b>	<b>2,718,952</b>	<b>(641,378)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
PROCEEDS FROM CAPITAL LEASE	-	-	960,000	960,000
OPERATING TRANSFERS IN	3,133,660	-	6,700	3,140,360
OPERATING TRANSFERS OUT	(24,323)	-	(1,891,892)	(1,916,215)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,109,337</b>	<b>-</b>	<b>(925,192)</b>	<b>2,184,145</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,309,582</b>	<b>(1,560,575)</b>	<b>1,793,760</b>	<b>1,542,767</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>13,633,568</b>	<b>2,551,415</b>	<b>9,119,677</b>	<b>25,304,660</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 14,943,150</b>	<b>\$ 990,840</b>	<b>\$ 10,913,437</b>	<b>\$ 26,847,427</b>

**SOURCE:** Extracted from audited financial statements of the Town.

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

	GENERAL	SCHOOL BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 53,648,070	\$ -	\$ -	\$ 53,648,070
INTERGOVERNMENTAL	21,961,969	6,391,518	8,176,648	36,530,135
MOTOR VEHICLE EXCISE TAXES	3,082,969	-	-	3,082,969
PAYMENTS IN LIEU OF TAXES	1,382,727	-	-	1,382,727
PENALTIES AND INTEREST ON TAXES	287,327	-	-	287,327
CHARGES FOR SERVICES	-	-	3,938,741	3,938,741
INVESTMENT INCOME	189,895	-	21,915	211,810
CONTRIBUTIONS & DONATIONS	-	-	239,174	239,174
DEPARTMENTAL AND OTHER	3,426,240	-	164,067	3,590,307
<b>TOTAL REVENUES</b>	<b>83,979,197</b>	<b>6,391,518</b>	<b>12,540,545</b>	<b>102,911,260</b>
<b>EXPENDITURES:</b>				
CURRENT:				
GENERAL GOVERNMENT	4,236,181	-	633,465	4,869,646
PUBLIC SAFETY	9,982,769	-	2,313,844	12,296,613
EDUCATION	39,265,554	13,201,604	5,727,089	58,194,247
PUBLIC WORKS	2,649,231	-	665,054	3,314,285
HUMAN SERVICES	1,121,736	-	204,223	1,325,959
CULTURE & RECREATION	1,189,802	-	208,799	1,398,601
EMPLOYEE BENEFITS	23,618,310	-	110,091	23,728,401
STATE & COUNTY ASSESSMENTS	548,256	-	-	548,256
DEBT SERVICE				
PRINCIPAL	2,619,000	-	30,000	2,649,000
INTEREST	1,122,025	-	-	1,122,025
<b>TOTAL EXPENDITURES</b>	<b>86,352,864</b>	<b>13,201,604</b>	<b>9,892,565</b>	<b>109,447,033</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,373,667)</b>	<b>(6,810,086)</b>	<b>2,647,980</b>	<b>(6,535,773)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
OPERATING TRANSFERS IN	2,983,038	-	-	2,983,038
OPERATING TRANSFERS OUT	(19,454)	-	(1,732,733)	(1,752,187)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,963,584</b>	<b>-</b>	<b>(1,732,733)</b>	<b>1,230,851</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>589,917</b>	<b>(6,810,086)</b>	<b>915,247</b>	<b>(5,304,922)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>13,043,651</b>	<b>9,361,501</b>	<b>8,204,430</b>	<b>30,609,582</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 13,633,568</b>	<b>\$ 2,551,415</b>	<b>\$ 9,119,677</b>	<b>\$ 25,304,660</b>

**SOURCE:** Extracted from audited financial statements of the Town.

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2020**

	GENERAL	SCHOOL BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 51,527,238	\$ -	\$ -	\$ 51,527,238
INTERGOVERNMENTAL	20,733,516	3,346,498	7,490,234	31,570,248
MOTOR VEHICLE EXCISE TAXES	2,955,534	-	-	2,955,534
PAYMENTS IN LIEU OF TAXES	2,584,491	-	-	2,584,491
PENALTIES AND INTEREST ON TAXES	168,711	-	-	168,711
CHARGES FOR SERVICES	-	-	2,994,294	2,994,294
INVESTMENT INCOME	478,309	-	7,446	485,755
CONTRIBUTIONS & DONATIONS	-	-	181,043	181,043
DEPARTMENTAL AND OTHER	4,826,170	-	199,096	5,025,266
<b>TOTAL REVENUES</b>	<b>83,273,969</b>	<b>3,346,498</b>	<b>10,872,113</b>	<b>97,492,580</b>
<b>EXPENDITURES:</b>				
<b>CURRENT:</b>				
GENERAL GOVERNMENT	4,163,315	-	400,049	4,563,364
PUBLIC SAFETY	9,902,536	-	2,320,147	12,222,683
EDUCATION	38,987,621	11,337,313	4,494,293	54,819,227
PUBLIC WORKS	2,577,453	-	2,312,675	4,890,128
HUMAN SERVICES	1,040,296	-	17,589	1,057,885
CULTURE & RECREATION	1,269,625	-	486,154	1,755,779
EMPLOYEE BENEFITS	24,248,946	-	22,629	24,271,575
STATE & COUNTY ASSESSMENTS	487,104	-	-	487,104
DEBT SERVICE				
PRINCIPAL	2,281,000	-	30,000	2,311,000
INTEREST	709,135	-	-	709,135
<b>TOTAL EXPENDITURES</b>	<b>85,667,031</b>	<b>11,337,313</b>	<b>10,083,536</b>	<b>107,087,880</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,393,062)</b>	<b>(7,990,815)</b>	<b>788,577</b>	<b>(9,595,300)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
PROCEEDS FROM CAPITAL LEASE	-	-	187,326	187,326
PROCEEDS FROM BONDS AND NOTES	-	13,488,000	-	13,488,000
PROCEEDS FROM BOND PREMIUM	-	1,921,636	-	1,921,636
OPERATING TRANSFERS IN	2,762,896	267,881	301,499	3,332,266
OPERATING TRANSFERS OUT	(579,810)	-	(1,744,000)	(2,323,810)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,183,076</b>	<b>15,677,517</b>	<b>(1,255,175)</b>	<b>16,605,418</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(209,986)</b>	<b>7,686,702</b>	<b>(466,598)</b>	<b>7,010,118</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>13,253,637</b>	<b>1,674,799</b>	<b>7,479,943</b>	<b>22,408,379</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 13,043,651</b>	<b>\$ 9,361,501</b>	<b>\$ 7,013,345</b>	<b>\$ 29,418,497</b>

**SOURCE:** Extracted from audited financial statements of the Town.

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2019**

	GENERAL	EMS FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 49,646,191	\$ -	\$ -	\$ 49,646,191
INTERGOVERNMENTAL	18,814,578	-	4,586,729	23,401,307
MOTOR VEHICLE EXCISE TAXES	3,148,412	-	-	3,148,412
PAYMENTS IN LIEU OF TAXES	2,730,863	-	-	2,730,863
PENALTIES AND INTEREST ON TAXES	297,552	-	-	297,552
CHARGES FOR SERVICES	-	1,511,320	2,263,114	3,774,434
INVESTMENT INCOME	665,101	-	38,083	703,184
CONTRIBUTIONS & DONATIONS	-	-	177,990	177,990
DEPARTMENTAL AND OTHER	5,124,129	-	463,335	5,587,464
<b>TOTAL REVENUES</b>	<b>80,426,826</b>	<b>1,511,320</b>	<b>7,529,251</b>	<b>89,467,397</b>
<b>EXPENDITURES:</b>				
<b>CURRENT:</b>				
GENERAL GOVERNMENT	4,246,608	-	40,494	4,287,102
PUBLIC SAFETY	9,742,392	-	1,441,720	11,184,112
EDUCATION	39,357,226	-	5,580,352	44,937,578
PUBLIC WORKS	3,083,474	-	1,345,769	4,429,243
HUMAN SERVICES	1,046,446	-	117,447	1,163,893
CULTURE & RECREATION	1,182,416	-	398,683	1,581,099
EMPLOYEE BENEFITS	21,497,653	-	45,086	21,542,739
STATE & COUNTY ASSESSMENTS	435,104	-	-	435,104
DEBT SERVICE				
PRINCIPAL	2,285,000	-	30,000	2,315,000
INTEREST	783,705	-	-	783,705
<b>TOTAL EXPENDITURES</b>	<b>83,660,024</b>	<b>-</b>	<b>8,999,551</b>	<b>92,659,575</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,233,198)</b>	<b>1,511,320</b>	<b>(1,470,300)</b>	<b>(3,192,178)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
OPERATING TRANSFERS IN	2,359,302	-	3,824,000	6,183,302
OPERATING TRANSFERS OUT	(3,597,116)	(1,634,806)	-	(5,231,922)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,237,814)</b>	<b>(1,634,806)</b>	<b>3,824,000</b>	<b>951,380</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(4,471,012)</b>	<b>(123,486)</b>	<b>2,353,700</b>	<b>(2,240,798)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>17,724,649</b>	<b>2,570,991</b>	<b>4,353,537</b>	<b>24,649,177</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 13,253,637</b>	<b>\$ 2,447,505</b>	<b>\$ 6,707,237</b>	<b>\$ 22,408,379</b>

SOURCE: Extracted from audited financial statements of the Town.



**TOWN OF FOXBOROUGH, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2018 (1)**

	<u>GENERAL</u>	<u>EMS FUND</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b><u>REVENUES:</u></b>				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 47,247,667	\$ -	\$ -	\$ 47,247,667
INTERGOVERNMENTAL	18,533,236	-	2,865,569	21,398,805
MOTOR VEHICLE EXCISE TAXES	2,987,432	-	-	2,987,432
PAYMENTS IN LIEU OF TAXES	2,972,305	-	-	2,972,305
PENALTIES AND INTEREST ON TAXES	277,908	-	-	277,908
CHARGES FOR SERVICES	-	1,446,754	2,347,055	3,793,809
INVESTMENT INCOME	339,607	-	(10,130)	329,477
CONTRIBUTIONS & DONATIONS	-	-	182,286	182,286
DEPARTMENTAL AND OTHER	4,869,017	-	532,385	5,401,402
	<u>77,227,172</u>	<u>1,446,754</u>	<u>5,917,165</u>	<u>84,591,091</u>
TOTAL REVENUES				
<b><u>EXPENDITURES:</u></b>				
CURRENT:				
GENERAL GOVERNMENT	3,752,270	-	631,537	4,383,807
PUBLIC SAFETY	9,396,666	-	344,650	9,741,316
EDUCATION	36,741,453	-	3,717,636	40,459,089
PUBLIC WORKS	2,937,886	-	1,043,611	3,981,497
HUMAN SERVICES	989,244	-	112,731	1,101,975
CULTURE & RECREATION	1,154,217	-	512,358	1,666,575
EMPLOYEE BENEFITS	20,722,304	-	59,151	20,781,455
STATE & COUNTY ASSESSMENTS	426,050	-	-	426,050
DEBT SERVICE				
PRINCIPAL	2,290,000	-	30,000	2,320,000
INTEREST	887,946	-	-	887,946
	<u>79,298,036</u>	<u>-</u>	<u>6,451,674</u>	<u>85,749,710</u>
TOTAL EXPENDITURES				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,070,864)</u>	<u>1,446,754</u>	<u>(534,509)</u>	<u>(1,158,619)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
OPERATING TRANSFERS IN	1,974,046	61,362	332,290	2,367,698
OPERATING TRANSFERS OUT	(893,652)	(949,081)	(147,866)	(1,990,599)
	<u>1,080,394</u>	<u>(887,719)</u>	<u>184,424</u>	<u>377,099</u>
TOTAL OTHER FINANCING SOURCES (USES)				
<b>NET CHANGE IN FUND BALANCES</b>	(990,470)	559,035	(350,085)	(781,520)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	18,715,119	2,011,956	4,703,622	25,430,697
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 17,724,649</u>	<u>\$ 2,570,991</u>	<u>\$ 4,353,537</u>	<u>\$ 24,649,177</u>

(1) Extracted from audited financial statements of the Town.

## Unassigned General Fund Balance and Free Cash (1)

Under Massachusetts law an amount known as "free cash" is certified as of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy.

Under the Uniform Municipal Accounting System (UMAS) prescribed by the Commonwealth of Massachusetts Department of Revenue, adjusted for accounts receivable, free cash is undesignated fund balance. Uncollected property taxes are fully reserved under UMAS.

The following table sets forth the trend in unassigned general fund balances and free cash as certified by the Bureau of Accounts.

<u>Year</u>	Unassigned General Fund Balance for Fiscal Year Ending <u>June 30 (1)</u>	Certified Free Cash for Fiscal Year <u>Beginning July 1</u>
2022	\$10,357,153	\$5,223,577
2021	9,059,480	3,859,373
2020	8,632,969	3,260,907 (2)
2019	9,943,228	4,762,588
2018	10,283,782	6,365,604
2017	11,585,277	8,321,006

(1) Source: Audited Financial Statements, except as noted.

(2) Fiscal 2020 Free Cash decreased following a planned abstinence in Free Cash use and capital buildup in previous years in connection with the Town's school project. Following the financing of the school project, Free Cash and Capital returned to more normal levels in fiscal 2020.

## Stabilization Fund

The Town maintains two stabilization funds, a general stabilization fund and a capital stabilization fund. The trend in fund balance is set forth below.

<u>Fiscal Year Ending June 30</u>	<u>General Stabilization Fund Balance</u>	<u>Capital Stabilization Fund Balance</u>
2022	\$ 4,152,859	\$ 288,786
2021	4,332,306	288,929
2020	4,129,487	287,730
2019	3,852,558	25,148
2018	3,652,916	2,094,293

## Tax Increment Financing for Development Districts

Under recent legislation, cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town's development program for the district. This includes pledging such "tax increments" for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2 ½ (see "Tax Limitations" under "PROPERTY TAXATION" above).

Foxborough has previously aligned with several neighboring towns to form an Economic Target Area (ETA). Foxborough has recently established an Economic Opportunity Area (EQA) within the Town encompassing the properties where the 100 year old Invensys business is operating. In November 2013, the Town and State approved a TIF project to retain the Town's largest employer, as it invests over \$33 million to modernize its facilities within the Town. The TIF will last for 15 years and is worth approximately \$1.9 million.

## **Investment of Town Funds**

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

MMDT is an investment pool created by the Commonwealth. The State Treasurer is the sole trustee, and the funds are managed under contract by an investment firm under the supervision of the State Treasurer's office. According to the State Treasurer, MMDT's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities with maturities of one year or less.

MMDT funds, unless otherwise provided by the donor, may be invested in accordance with Section 54 of Chapter 44, which permits a broader range of investments than Section 55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by Sections 54 and 55 do not apply to city and town retirement systems.

Pension funds are under the jurisdiction of the Norfolk County Retirement System ("System").

## INDEBTEDNESS

### Authorization Procedure and Limitations

Serial bonds and notes are authorized by vote of two-thirds of all the members of the city council (subject to the mayor's veto where the mayor has a veto power) or a two-thirds vote of the town meeting. Provision is made in some cities and towns for a referendum on the borrowing authorization if there is a timely filing of a petition bearing the requisite number of signatures. Refunding bonds and notes are authorized by the city council, the selectmen or either the prudential committee or the commissioners of a district if there is no prudential committee. Borrowings for some purposes require State administrative approval.

When serial bonds or notes have been authorized, bond anticipation notes may be issued by the officers authorized to issue the serial bonds or notes. Temporary loans in anticipation of revenue of the fiscal year in which the debt is incurred or in anticipation of authorized federal and state aid generally may be incurred by the Treasurer with the approval of the selectmen.

### Debt Limits

General Debt Limit. The general debt limit of the Town consists of a normal debt limit and a double debt limit. The normal debt limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the double debt limit) with the approval of the State Municipal Finance Oversight Board.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit if such debt is authorized by a two-thirds vote of the city or town and such debt is payable within the periods so specified in Mass. Gen. Laws. c. 44, §8. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; certain school bonds, certain sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing, bonds for water, housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems. Revenue bonds are not subject to these debt limits. The General Debt Limit applies at the time the debt is authorized. The special debt limits generally apply at the time the debt is incurred.

Revenue Anticipation Notes. The amount borrowed in each fiscal year by the issue of revenue anticipation notes is limited to the tax levy of the prior fiscal year, together with the net receipts in the prior fiscal year from the motor vehicle excise and certain payments made by the Commonwealth in lieu of taxes. The fiscal year ends on June 30. Notes may mature in the following fiscal year, and notes may be refunded into the following fiscal year to the extent of the uncollected, unabated current tax levy and certain other items, including revenue deficits, overlay deficits, final judgments and lawful unappropriated expenditures, which are to be added to the next tax levy, but excluding deficits arising from a failure to collect taxes of earlier years. (See "Taxation to Meet Deficits" above.) In any event, the period from an original borrowing to its final maturity cannot exceed one year.

### Types Of Obligations

General Obligations. Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

Serial Bonds and Notes. These are generally required to be payable in annual principal amounts beginning no later than the end of the next fiscal year commencing after the date of issue and ending within the terms permitted by law. A level debt service schedule, or a schedule that provides for a more rapid amortization of principal than level debt service, is permitted. The principal amounts of certain economic development bonds supported by tax increment financing may be payable in equal, diminishing or increasing amounts beginning within 5 years after the date of issue. The maximum terms of serial bonds and notes vary from one year to 40 years, depending on the purpose of the issue. The maximum terms permitted are set forth in the statutes. In addition, for many projects, the maximum term may be determined in accordance with useful life guidelines promulgated by the State Department of Revenue ("DOR"). Serial bonds and notes may be issued for the purposes set forth in the statutes. In addition, serial bonds and notes may be issued for any other public work improvement or asset not specifically listed in the Statutes that has a useful life of at least 5 years. Bonds or notes may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum applicable term measured from the date of the original bonds or notes and must produce present value savings over the debt service of the refunded bonds. Generally, the first required annual payment of principal of the refunding bonds cannot be later than the end of the fiscal year in which any of the bonds or notes being refunded thereby is payable, however, principal payments made before the first principal payment of any of the bonds or notes being refunded thereby may be in any amount.

Serial bonds may be issued as “qualified bonds” with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. Qualified bonds may mature not less than 10 nor more than 30 years from their dates and are not subject to the amortization requirements described above. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service paid by the State from state aid or other state payments; administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

Tax Credit Bonds or Notes. Subject to certain provisions and conditions, the officers authorized to issue bonds or notes may designate any duly authorized issue of bonds or notes as “tax credit bonds” to the extent such bonds and notes are otherwise permitted to be issued with federal tax credits or other similar subsidies for all or a portion of the borrowing costs. Tax credit bonds may be made payable without regard to the annual installments required by any other law, and a sinking fund may be established for the payment of such bonds. Any investment that is part of such a sinking fund may mature not later than the date fixed for payment or redemption of the applicable bonds.

Bond Anticipation Notes. These generally must mature within two years of their original dates of issuance but may be refunded from time to time for a period not to exceed ten years from their original dates of issuance, provided that for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the bonds had been issued at the end of the second year. The maximum term of bonds issued to refund bond anticipation notes is measured from the date of the original issue of the notes.

Revenue Anticipation Notes. These are issued to meet current expenses in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may be refunded from time to time up to one year from the original date of issue.

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements for any purpose for which the city or town may incur debt that may be payable over a term of five years or longer. Generally, they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's Clean Water or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition to general obligation bonds and notes, cities and towns which are members of the New England Power Pool may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the Department of Public Utilities.

**Direct Debt Summary  
As of June 30, 2022 (1)(2)**

<b>Long-Term Indebtedness</b>		
Within the General Limit		
School	\$ 4,754,000	
General	10,614,000	
Sewer	27,000	
MCWT	44,605	
Total Within the Debt Limit		\$ 15,439,605
Outside the General Debt Limit		
General	12,595,000	
Water	33,705,000	
MCWT	2,022,766	
Total Outside the General Debt Limit		48,322,766
<b>Total Direct Debt</b>		<b>\$ 63,762,371</b>

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability, and other post-employment benefits liability.  
(2) \$10,756,000 principal and \$1,479,756 associated interest are exempt from Proposition 2 ½.

## Key Debt Ratios

	As of June 30				
	2022	2021	2020	2019	2018
Long-Term Debt Outstanding (1)	\$63,762,371	\$68,402,725	\$64,153,663	\$44,769,909	\$48,542,720
Per Capita (2)	\$3,424	\$4,055	\$3,963	\$2,654	\$2,878
Percent of Assessed Valuation (3)	1.76%	1.98%	1.86%	1.39%	1.56%
Percent of Equalized Valuation (4)	1.76%	1.88%	1.77%	1.35%	1.64%
Per Capita as a Percent of Per Capita Income (2)	6.73%	9.69%	9.47%	6.34%	6.88%

(1) Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability, and other post-employment benefits liability.

(2) Source: U.S. Department of Commerce, Bureau of the Census - latest applicable actuals or estimates.

(3) Source: Board of Assessors - assessed valuation as of prior January 1.

(4) Source: Massachusetts Department of Revenue - equalized valuation in effect for that fiscal year (equalized valuations are established for January 1 of each even-numbered year).

## Annual Debt Service as of June 30, 2022 (1)

Fiscal Year	Currently Outstanding (2)		Expected MCWT Subsidy	Total Debt Service	Cumulative % Debt Service Retired
	Principal	Interest			
2023	\$ 4,609,861	\$ 2,079,618	\$ (12,084)	\$ 6,677,395	7.2 %
2024	4,349,458	1,908,508	(724)	6,257,241	14.1
2025	4,326,846	1,740,568	-	6,067,413	20.8
2026	3,831,631	1,584,183	-	5,415,814	26.8
2027	3,896,512	1,432,451	-	5,328,963	33.0
2028	3,766,492	1,279,890	-	5,046,382	38.9
2029	3,836,572	1,143,897	-	4,980,469	44.9
2030	3,655,000	1,007,019	-	4,662,019	50.6
2031	3,200,000	887,775	-	4,087,775	55.6
2032	3,250,000	787,563	-	4,037,563	60.7
2033	2,675,000	676,763	-	3,351,763	64.9
2034	2,695,000	602,063	-	3,297,063	69.2
2035	2,740,000	525,963	-	3,265,963	73.4
2036	2,790,000	448,613	-	3,238,613	77.8
2037	2,500,000	369,813	-	2,869,813	81.7
2038	2,540,000	314,313	-	2,854,313	85.7
2039	2,600,000	243,213	-	2,843,213	89.8
2040	2,655,000	170,463	-	2,825,463	94.0
2041	1,095,000	109,900	-	1,204,900	95.7
2042	550,000	82,500	-	632,500	96.5
2043	550,000	66,000	-	616,000	97.4
2044	550,000	49,500	-	599,500	98.3
2045	550,000	33,000	-	583,000	99.1
2046	550,000	16,500	-	566,500	100.0
Total	<u>\$ 63,762,371</u>	<u>\$ 17,560,072</u>	<u>\$ (12,808)</u>	<u>\$ 81,309,634</u>	

(1) Excludes overlapping debt, lease and installment purchase obligations and unfunded pension liability, and other post-employment benefits liability.

(2) \$10,756,000 principal and \$1,479,756 associated interest are exempt from Proposition 2 ½.

## Authorized Unissued Debt and Prospective Financing

Currently, the Town has approximately \$1,916,410 authorized but unissued debt for the Burrell Elementary School project. The Town has received approval from the Massachusetts School Building Authority (MSBA) for grants on eligible project costs, not to exceed \$15,331,279.

## Overlapping Debt (1)

The following are the principal entities whose indebtedness is chargeable to the Town or payable from taxation of property within the Town:

	<u>Outstanding Bonded Debt</u>	<u>Authorized But Unissued</u>	<u>Foxborough's Fiscal 2023 Assessment</u>
Norfolk County (2)	\$16,045,000	\$11,421,266	\$147,788
Southeastern Regional Vocational Technical School (3)	10,985,000	1,982,377	772,769

- (1) Excludes temporary loans in anticipation of revenue. Omits debt of the Commonwealth.
- (2) Source: Treasurer, Norfolk County. Debt is as of June 30, 2022. Legislation was enacted in 1997 abolishing the county governments of Franklin and Middlesex counties as of July 1, 1997, with their assets, functions, debts and other obligations being assumed by the Commonwealth. The abolishment of the Middlesex County government was in part in response to a default by the County in the payment of general obligation notes of the County. The legislation also abolished the county governments of Hampden and Worcester counties as of July 1, 1998. Legislation enacted in 1998 abolished the county governments of Hampshire, Essex and Berkshire counties as of January 1, 1999, July 1, 1999 and July 1, 2000. The legislation also requires the state secretary for administration and finance to establish a plan to recover the Commonwealth's expenditures for the liabilities and other debts assumed and paid by the Commonwealth on behalf of an abolished county. Unless these provisions are changed by further legislation, the state treasurer shall assess upon each city and town within the jurisdiction of an abolished county an amount not exceeding or equal to the county tax paid by each such city and town for the fiscal year immediately prior to the abolishment of the county until such expenditures by the Commonwealth are recovered. It is possible that similar legislation will be sought to provide for the abolishment of county government in all remaining counties.
- (3) Source: District Treasurer. Debt is as of June 30, 2022. The Town of Foxborough represents 2.18% of the Southeastern Regional Vocational Technical School.

## Contractual Obligations

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interests, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally will be expressly subject to availability and appropriation of funds. Municipalities have specific authority in relatively few cases for long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There may be implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies.

Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The Town of Foxborough entered into an agreement with Dooley Disposal effective July 1, 2018 to June 30, 2023 to provide municipal solid waste and single stream recyclable materials collection. The Town is not responsible for the costs of managing this program.

## RETIREMENT SYSTEMS

The Massachusetts General Laws provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to a separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. The Public Employee Retirement Administration Commission ("PERAC") provides oversight and guidance for and regulates all state and local retirement systems.

The obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy. If a city or town, or the county system of which it is a member, has not established a retirement system funding schedule as described below, the city or town is required to provide for the payment of the portion of its current pension obligations which is not otherwise covered by employee contributions and investment income. "Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate, are required to be set aside in a pension reserve fund for future, not current, pension liabilities. Cities and towns may voluntarily appropriate to their system's pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. A system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

City, town and county systems may choose to participate in the Pension Reserves Investment Trust Fund (the "PRIT Fund"), which receives additional state funds to offset future pension costs of participating state and local systems. If a local system participates in the PRIT Fund, it must transfer ownership and control of all assets of its system to the Pension Reserves Investment Management Board, which manages the investment and reinvestment of the PRIT Fund. Cities and towns with systems participating in the PRIT Fund continue to be obligated to fund their pension obligations in the manner described above. The additional state appropriations to offset future pension liabilities of state and local systems participating in the PRIT Fund are required to total at least 1.3 percent of state payroll. Such additional state appropriations are deposited in the PRIT Fund and shared by all participating systems in proportion to their interests in the assets of the PRIT Fund as of July 1 for each fiscal year.

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

The annual contributions of the Town to the Norfolk County Contributory Retirement System for the last five fiscal years as follows:

<u>Fiscal Year</u>	<u>Town Contribution</u>
2022	\$5,473,537
2021	5,185,943
2020	4,844,077
2019	4,388,893
2018	4,011,736

Source: Finance Director.

The foregoing data do not include the retirement system costs or liabilities of any larger entity other than the County of which the Town is constituent part and for which it is assessed a share of expenses.

As of January 1, 2022 the estimated unfunded actuarial liability of the County was \$505,359,983. The Town's share of this liability is approximately 6.5%, or \$32,853,255. The total actuarial pension liability represents the estimated valuation of accumulated costs for benefits already earned by, but not yet paid to, pensioners and current employees in the system as of the valuation date. A complete copy of the Norfolk County Contributory Retirement System's valuation report is currently posted on the PERAC web site, [www.mass.gov/perac](http://www.mass.gov/perac).



## Norfolk County Contributory Retirement System's Funding Schedule (As of January 1, 2022)

Fiscal Year Ending	Employee Contribution	Employer Normal Cost with Interest	Amortization Payments with Interest	Employer Total Cost with Interest	Employer Total Cost % of Payroll	Funded Ratio%**	Unfunded Accrued Liability
2023	\$ 30,568,955	\$ 11,234,768	\$ 82,301,555	\$ 93,536,323	27.5	71.8	\$ 505,359,983
2024	32,224,289	11,444,546	87,369,920	98,814,466	27.8	74.6	459,529,716
2025	33,966,701	11,650,454	91,293,423	102,943,877	27.8	78.2	406,330,779
2026	35,800,676	11,851,718	95,393,157	107,244,875	27.7	81.9	345,020,661
2027	37,730,927	12,047,504	99,677,041	111,724,545	27.6	86.0	274,791,605
2028	39,762,403	12,236,911	104,153,347	116,390,258	27.5	90.3	194,765,206
2029	41,900,307	12,418,968	106,463,510	118,882,478	26.9	95.0	103,986,572
2030	44,150,104	12,592,631	2,060,901	14,653,532	3.2	99.8	3,830,240
2031	46,517,534	12,756,774	2,143,337	14,900,111	3.1	99.9	2,026,997
2032	49,008,629	12,910,191	-	12,910,191	2.6	100.0	-
2033	51,629,725	13,051,583	-	13,051,583	2.5	100.0	-
2034	54,387,477	13,179,557	-	13,179,557	2.4	100.0	-
2035	57,288,876	13,292,619	-	13,292,619	2.3	100.0	-
2036	60,341,266	13,389,168	-	13,389,168	2.2	100.0	-
2037	63,552,362	13,467,489	-	13,467,489	2.1	100.0	-
2038	66,930,265	13,525,745	-	13,525,745	2.1	100.0	-
2039	70,483,486	13,561,974	-	13,561,974	2.0	100.0	-
2040	74,220,963	13,574,073	-	13,574,073	1.9	100.0	-
2041	78,152,084	13,559,798	-	13,559,798	1.8	100.0	-
2042	82,286,708	13,516,750	-	13,516,750	1.7	100.0	-
2043	85,989,610	14,125,004	-	14,125,004	1.7	100.0	-
2044	89,859,142	14,760,629	-	14,760,629	1.7	100.0	-
2045	93,902,804	15,424,857	-	15,424,857	1.7	100.0	-
2046	98,128,430	16,118,976	-	16,118,976	1.7	100.0	-
2047	102,544,209	16,844,330	-	16,844,330	1.7	100.0	-
2048	107,158,699	17,602,325	-	17,602,325	1.7	100.0	-
2049	111,980,840	18,394,429	-	18,394,429	1.7	100.0	-
2050	117,019,978	19,222,179	-	19,222,179	1.7	100.0	-
2051	122,285,877	20,087,177	-	20,087,177	1.7	100.0	-
2052	127,788,742	20,991,100	-	20,991,100	1.7	100.0	-
2053	133,539,235	21,935,699	-	21,935,699	1.7	100.0	-
2054	139,548,500	22,922,806	-	22,922,806	1.7	100.0	-

\*\*Beginning of Fiscal Year

Source: Actuarial Valuation Report of the Norfolk County System, PERAC.

### Other Post-Employment Benefits

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities or towns is generally provided on a pay-as-you-go basis. The pay-as-you-go cost to the Town for such benefits in recent years has been as follows:

Fiscal Year	Benefit Costs
2023	\$ 2,128,138
2022	-
2021	1,064,069
2020	1,064,069
2019	964,069
2018	864,069

The Town funded an additional \$564,069 at its May 2013 Annual Town Meeting, \$664,069 at its May 2014 Annual Town Meeting, \$764,069 at its May 2015 Annual Town Meeting, \$864,069 at its May 2016 Annual Town Meeting, \$864,069 at its May 2017 Annual Town Meeting and \$951,256 at its May 2018 Annual Town Meeting and \$1,064,069 at its May 13, 2019 Annual Town Meeting.

The Governmental Accounting Standards Board ("GASB") Statement No. 75, "Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions," replaces the requirements of Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions." GASB Statement No. 75 introduces a new actuarial cost method and discount rate as well as new disclosure and methodologies for reporting plan liability and OPEB expenses. It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. Cities and towns may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits.

The Town had an actuarial valuation performed for its fiscal year ending June 30, 2021. The estimated unfunded actuarial liability for the retiree health benefits for the Town of Foxborough as of July 1, 2020 (the valuation date) is estimated at \$25.7 million based on the Town's current funding plan and assuming a 6.50% discount rate. The Town has established an OPEB Trust Fund, by accepting Chapter 32B Sec. 20 of the General Laws. The Town is committed to annual full funding of this liability and is continuing to fund at the Annual Required Contribution level. The balance in the OPEB Trust Fund as of June 30, 2022 was \$12,730,789.

### COLLECTIVE BARGAINING

City and town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. The Town has approximately 687 full and part time employees, including those in the School Department. Approximately 80 percent belong to unions or other collective bargaining groups as shown below:

<u>Employee Category</u>	<u>Represented by</u>	<u>Number of Employees</u>	<u>Contract Expires</u>
General Government:			
Police	Mass Coalition of Police Local 384 (AFL-CIO)	31	6/30/25
Firemen	Foxborough Professional Firefighting Assoc.	28	6/30/25
Highway, Water & Sewer	AFSCME	24	6/30/25
Library	The Boyden Library Employee's Assoc., MLSA	13	6/30/25
Supervisors & Non-Supervisors	Foxborough Steelworkers (AFL-CIO)	55	6/30/25
School:			
Teachers & Nurses	Foxborough Educators Assoc.	261	6/30/25
Secretaries/Clerks	Foxborough Educational Sec. Assoc.	11	6/30/25
Aides	Foxborough Education Assoc. (Ed. Assistants)	64	6/30/25
Custodians	Foxborough C & M Workers	20	6/30/25
Bus Drivers	AFSCME	20	6/30/25
Food Service Workers	Self-Represented	<u>21</u>	6/30/25
Total		556	

Source: Finance Director.

### LITIGATION

In the opinion of Town Management, no litigation is pending, or to her knowledge threatened, which is likely to result, either individually or in the aggregate, in final judgments against the Town materially affecting its financial position.

TOWN OF FOXBOROUGH, MASSACHUSETTS  
/s/ George Samia, Finance Director

March 30, 2023

**TOWN OF FOXBOROUGH, MASSACHUSETTS**

**REPORT ON EXAMINATION OF  
BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
 REPORT ON EXAMINATION OF  
 BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2022**

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**TOWN OF FOXBOROUGH, MASSACHUSETTS  
REPORT ON EXAMINATION OF  
BASIC FINANCIAL STATEMENTS  
JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Select Board  
Town of Foxborough, Massachusetts

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Foxborough, Massachusetts, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Foxborough, Massachusetts'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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Foxborough, Massachusetts, as of June 30, 2022, and the respective changes in financial position and where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of Foxborough, Massachusetts and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

### ***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 of Foxborough, Massachusetts'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 of Foxborough, Massachusetts'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 Norfolk County Retirement System schedules - Town's proportionate share of the net pension liability, and Town's contribution, Massachusetts Teachers Retirement System's schedule of the Commonwealth's Collective amounts of the Net Pension Liability, Other Postemployment Benefit schedules - Town's Net OPEB Liability and Related Ratios, Town's contribution, and investment return, and notes to required supplementary information on pages 4 – 12, 74 – 75, 76, 77 – 79 and 80 - 81 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, on our consideration of the Town of Foxborough, Massachusetts's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Foxborough, Massachusetts's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Foxborough, Massachusetts's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Robert E. Brown". The signature is written in a cursive style with a large initial "R" and "B".

Certified Public Accountant

March 30, 2023



## Management's Discussion and Analysis

As management of the Town of Foxborough (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider this information in addition to the statements and notes.

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

### *Financial Highlights*

- The assets of the Town exceeded its liabilities at the close of the fiscal year by \$77.10 million (net position), including obligations to the June 30, 2022 statement of net position associated with its pension liability - \$23.55 million and OPEB liability - \$31.98 million. The Town's overall unrestricted negative net position improved by \$3.20 million, from -\$45.89 million to -\$42.69 million.
- The unrestricted negative net position of the Town's governmental activities is -\$47.4 million, primarily driven by the 100% inclusion of the net pension liability of \$23.1 million, the postemployment benefits liability of \$31.7 million, and the deferred inflow of resources of \$17.6 million. The unrestricted net position of the Town's business-type activities is \$4.7 million and may be used to meet the ongoing obligations of the Town's water and sewer business-type activities. Included in the business-type activities are charges of \$0.5 million related to the net pension liability and \$0.2 million associated with the postemployment benefits liability.
- Governmental activities total net position increased \$8.14 million, or 18.07% in fiscal 2022. Business type activities total net position decreased -\$0.60 million, or -2.46% in fiscal 2022.
- At June 30, 2022, the Town's governmental funds had a combined ending fund balance of \$26.85 million. Combined governmental funds balance increased by \$1.54 million, or 6.10%, from the prior year. A total of \$9.55 million, or 35.59%, of the \$26.85 million fund balance is considered unassigned at June 30, 2022.
- The Town's general fund reported a fund balance of \$14.94 million at the end of fiscal 2022. The unassigned fund balance for the general fund was \$10.36 million, or 12.04%, of total fiscal 2022 general fund expenditures. A total of \$1,960,000 of the assigned fund balance is designated for funding the fiscal 2023 budget.
- The total cost of all Town services on a full accrual basis for fiscal 2022 was \$102.97 million, \$95.1 million of which was for governmental services, and \$7.87 million of which was for business-type activities, for an overall 0.082% increase compared to fiscal 2021. Changes were generally evenly distributed amongst the various Town service areas.
- The Town's total bonded debt decreased by a net of \$4.64 million or 6.78% during the year.

## ***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 are comprised of three components:

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

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

The *statement of net position* presents information on all assets and liabilities, 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 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods, (e.g., uncollected taxes and earned but unused vacation/sick leave).

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

*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 main 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 and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

Proprietary Funds – *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has two enterprise funds:

- *Water Enterprise Fund* accounts for the water activity of the Town.
- *Sewer Enterprise Fund* accounts for the sewer activity of the Town.

The Town previously had a *Sanitation Enterprise Fund* for the Town’s trash collection and disposal activities. However the Town privatized all aspects of this service in fiscal 2013, including the billing and revenue collection. As a result there is currently no need for this enterprise fund. Accordingly, all residual activity has been reclassified to a non-major governmental fund.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, as 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.

Private purpose trust funds and postemployment benefits trust are reported and combined into a single, aggregate presentation in the fiduciary fund financial statements under the captions “Private Purpose Trust Funds” and “Postemployment Benefits Trust” respectively.

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to address consistency issues related to how fund balance was being reported. Accordingly, beginning with the Town’s FY 2011 financial statements, fund balance in the Governmental Funds statements have been displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance*—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned fund balance*—amounts a government *intends* to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund. In Other Governmental Funds if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, due to the timing of reimbursements to the Town, it may be necessary to report a negative unassigned fund balance.

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

### ***Government-wide Financial Analysis:***

The exhibit on page 8 summarizes key financial components of the Town's financial statements.

As noted above, assets exceed liabilities by \$77.10 million at the close of fiscal year 2022, net of the \$55.53 million in charges for the contingent pension and OPEB liabilities. The Town is able to report positive balances in net position for both the government as a whole, and for each of its governmental and business-type activities in total.

A key component of the Town's net position is its *unrestricted net position* totaling -\$42.69 million, which decreased by \$3.20 million. This change is primarily impacted by the change in net other post-employment benefits (OPEB) and pension liabilities. Management has developed a funding plan and anticipates fully funding the net OPEB obligation by FY 2031.

The Town's investment in capital assets (e.g., land, buildings, machinery and equipment, software, vehicles, infrastructure, and construction in progress roads), less any related outstanding debt used to acquire those assets, is \$103.81 million, or 134.64%, of net position. The Town uses these capital assets to provide services to citizens; consequently, these assets *are not* available for future spending. Although the investment in the Town's 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.

Net position of Governmental activities increased by \$8.14 million or 18.07% from fiscal 2021. Net position of business-type activities decreased by -\$0.6 million or -2.46%, from 2021. Total Town net position increased by \$7.53 million, or 10.83%.

The \$8.14 million increase in Governmental activities net position is attributable to general operating revenue of \$65.89 million, program revenues of \$36.12 million, net operating transfers in of \$1.22 million, less total expenses of \$95.10 million. Total revenues decreased by -\$1.12 million, or -1.08%, while total expenses increased \$0.07 million, or 0.08%.

Net position of business-type activities decreased by -\$0.60 million, or -2.46%, as a result of the following: operating revenue exceeded expenses and depreciation by \$0.62 million and the net of transfers out for costs incurred in the general fund were \$1.22 million.

There was a decrease of -\$0.15 million, or -0.07%, in net position reported in connection with the water business-type activities. This reflects the continuing successful strategy of rate setting policy that will sustain the long-term maintenance and improvement of the Town's water system with steady and predictable rate increases.

There was a decrease of -\$0.45 million, or -12.48%, in net position reported in connection with the sewer business-type activities. The Town's participation in the relatively new regional sewer partnership has significantly increased the Town's available sewer capacity. The Town continues to see strong interest from commercial developers as a result, and those developers are building in Foxborough and purchasing the valuable sewer capacity for their businesses. This trend is in the early stages for the Town's next cycle of commercial property tax growth.

An additional portion of the Governmental activities total net position of \$15.98 million, or 30.07%, represents resources subject to external restrictions on how they may be used.

**Town of Foxborough - Financial Highlights**

	Governmental Activities			Business-Type Activities			Total Primary Government		
	FY 2022	FY 2021	Increase/ (Decrease)	FY 2022	FY 2021	Increase/ (Decrease)	FY 2022	FY 2021	Increase/ (Decrease)
<b>Assets:</b>									
Current Assets	\$ 35,494,993	\$ 36,318,651	\$ (823,658)	\$ 17,080,797	\$ 22,512,302	\$ (5,431,505)	\$ 52,575,790	\$ 58,830,953	\$ (6,255,163)
Noncurrent assets (excluding capital)	983,389	-	983,389	-	116,886	(116,886)	983,389	116,886	866,503
Capital Assets	114,700,692	113,411,461	1,289,231	48,483,440	43,805,496	4,677,944	163,184,132	157,216,957	5,967,175
<b>Total Assets</b>	<b>151,179,074</b>	<b>149,730,112</b>	<b>1,448,962</b>	<b>65,564,237</b>	<b>66,434,684</b>	<b>(870,447)</b>	<b>216,743,311</b>	<b>216,164,796</b>	<b>578,515</b>
<b>Deferred Outflow of Resources:</b>	<b>13,714,754</b>	<b>12,895,515</b>	<b>819,239</b>	<b>160,337</b>	<b>36,449</b>	<b>123,888</b>	<b>13,875,091</b>	<b>12,931,964</b>	<b>943,127</b>
<b>Liabilities:</b>									
Current Liabilities (excluding debt)	6,730,312	9,322,761	(2,592,449)	2,849,831	702,525	2,147,306	9,580,143	10,025,286	(445,143)
Noncurrent Liabilities (excluding debt)	56,283,059	59,520,888	(3,237,829)	756,100	855,239	(99,139)	57,039,159	60,376,127	(3,336,968)
Current Debt	3,010,336	2,942,334	68,002	2,279,327	2,266,787	12,540	5,289,663	5,209,121	80,542
Noncurrent Debt	28,068,725	30,119,061	(2,050,336)	35,629,194	37,908,521	(2,279,327)	63,697,919	68,027,582	(4,329,663)
<b>Total Liabilities</b>	<b>94,092,432</b>	<b>101,905,044</b>	<b>(7,812,612)</b>	<b>41,514,452</b>	<b>41,733,072</b>	<b>(218,620)</b>	<b>135,606,884</b>	<b>143,638,116</b>	<b>(8,031,232)</b>
<b>Deferred Inflow of Resources:</b>	<b>17,642,764</b>	<b>15,698,366</b>	<b>1,944,398</b>	<b>263,934</b>	<b>188,757</b>	<b>75,177</b>	<b>17,906,698</b>	<b>15,887,123</b>	<b>2,019,575</b>
<b>Net Position:</b>									
Net Investment in Capital Assets	84,547,597	82,787,481	1,760,116	19,266,605	18,542,222	724,383	103,814,202	101,329,703	2,484,499
Restricted	15,983,477	14,129,797	1,853,680	-	-	-	15,983,477	14,129,797	1,853,680
Unrestricted	(47,372,442)	(51,895,061)	4,522,619	4,679,583	6,007,082	(1,327,499)	(42,692,859)	(45,887,979)	3,195,120
<b>Total Net Position</b>	<b>\$ 53,158,632</b>	<b>\$ 45,022,217</b>	<b>\$ 8,136,415</b>	<b>\$ 23,946,188</b>	<b>\$ 24,549,304</b>	<b>\$ (603,116)</b>	<b>\$ 77,104,820</b>	<b>\$ 69,571,521</b>	<b>\$ 7,533,299</b>
<b>Revenues</b>									
<i>Program revenues:</i>									
Charges for services	10,303,157	6,056,999	4,246,158	8,056,731	8,621,058	(564,327)	18,359,888	14,678,057	3,681,831
Operating grants and contributions	21,875,543	28,178,215	(6,302,672)	420,878	473,295	(52,417)	22,296,421	28,651,510	(6,355,089)
Capital grants and contributions	3,936,567	6,898,908	(2,962,341)	13,241	13,627	(386)	3,949,808	6,912,535	(2,962,727)
<i>General revenues:</i>									
Real Estate and Personal Property taxes	55,377,352	53,299,016	2,078,336	-	-	-	55,377,352	53,299,016	2,078,336
Tax Liens	257,069	357,484	(100,415)	-	-	-	257,069	357,484	(100,415)
Motor vehicle and other excise taxes	3,128,962	3,080,347	48,615	-	-	-	3,128,962	3,080,347	48,615
Payments in lieu of taxes	2,194,034	1,382,727	811,307	-	-	-	2,194,034	1,382,727	811,307
Hotel/Motel Tax	2,614,401	1,107,483	1,506,918	-	-	-	2,614,401	1,107,483	1,506,918
Penalties and Interest on taxes	189,168	287,327	(98,159)	-	-	-	189,168	287,327	(98,159)
Nonrestricted grants and contributions	1,932,281	1,718,345	213,936	-	-	-	1,932,281	1,718,345	213,936
Unrestricted investment income	(17,618)	190,430	(208,048)	-	-	-	(17,618)	190,430	(208,048)
Other revenues	220,155	569,721	(349,566)	-	-	-	220,155	569,721	(349,566)
<b>Total Revenues</b>	<b>102,011,071</b>	<b>103,127,002</b>	<b>(1,115,931)</b>	<b>8,490,850</b>	<b>9,107,980</b>	<b>(617,130)</b>	<b>110,501,921</b>	<b>112,234,982</b>	<b>(1,733,061)</b>
<b>Expenses:</b>									
General Government	4,918,431	4,947,323	(28,892)	-	-	-	4,918,431	4,947,323	(28,892)
Public Safety	15,049,731	12,675,243	2,374,488	-	-	-	15,049,731	12,675,243	2,374,488
Education	49,003,310	46,073,002	2,930,308	-	-	-	49,003,310	46,073,002	2,930,308
Public Works	3,680,261	3,550,431	129,830	-	-	-	3,680,261	3,550,431	129,830
Human Services	1,278,681	1,258,551	20,130	-	-	-	1,278,681	1,258,551	20,130
Culture and Recreation	1,976,783	1,675,209	301,574	-	-	-	1,976,783	1,675,209	301,574
Employee Benefits	17,800,641	23,460,575	(5,659,934)	-	-	-	17,800,641	23,460,575	(5,659,934)
State and County assessments	620,842	548,256	72,586	-	-	-	620,842	548,256	72,586
Interest	770,121	835,820	(65,699)	-	-	-	770,121	835,820	(65,699)
Water	-	-	-	6,153,849	5,441,881	711,968	6,153,849	5,441,881	711,968
Sewer	-	-	-	1,715,972	1,666,224	49,748	1,715,972	1,666,224	49,748
<b>Total Expenses</b>	<b>95,098,801</b>	<b>95,024,410</b>	<b>74,391</b>	<b>7,869,821</b>	<b>7,108,105</b>	<b>761,716</b>	<b>102,968,622</b>	<b>102,132,515</b>	<b>836,107</b>
Contribution to permanent endowment	-	2,000	(2,000)	-	-	-	-	2,000	(2,000)
<b>Transfers (in/out)</b>	<b>1,224,145</b>	<b>1,230,851</b>	<b>(6,706)</b>	<b>(1,224,145)</b>	<b>(1,230,851)</b>	<b>6,706</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>8,136,415</b>	<b>9,335,443</b>	<b>(1,199,028)</b>	<b>(603,116)</b>	<b>769,024</b>	<b>(1,372,140)</b>	<b>7,533,299</b>	<b>10,102,467</b>	<b>(2,569,168)</b>
<b>Prior Period Adjustment - Agency</b>	<b>-</b>	<b>1,282,181</b>	<b>(1,282,181)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,282,181</b>	<b>(1,282,181)</b>
<b>Net Position - Beginning</b>	<b>45,022,217</b>	<b>34,404,593</b>	<b>10,617,624</b>	<b>24,549,304</b>	<b>23,780,280</b>	<b>769,024</b>	<b>69,571,521</b>	<b>58,184,873</b>	<b>11,386,648</b>
<b>Net Position - Ending</b>	<b>\$ 53,158,632</b>	<b>\$ 45,022,217</b>	<b>\$ 8,136,415</b>	<b>\$ 23,946,188</b>	<b>\$ 24,549,304</b>	<b>\$ (603,116)</b>	<b>\$ 77,104,820</b>	<b>\$ 69,569,521</b>	<b>\$ 7,533,299</b>

### ***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 fiscal year.

As of the end of the fiscal year 2022, governmental funds reported combined ending fund balances of \$26.85 million, a \$1.54 million increase from the prior year's ending fund balance. The net change reflects a net \$1.31 million Governmental fund balance increase due to general fund expenditures being less than combined general fund revenues and operating transfers in and out. Finally, there was a net -\$1.56 million decrease related to the Burrell School Renovations Project and a net increase of \$1.79 million across several non-major governmental fund accounts.

The General fund is the primary operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10.36 million, while total fund balance stood at \$14.94 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 12.04% of total general fund expenditures, while total fund balance represents 17.37%.

General fund actual revenues (on budgetary basis) were more than budgeted revenues by \$2.76 million in FY 2022, due primarily to departmental and other revenue increased by \$2,257,800, \$832,626 in property taxes associated with new property tax growth and allowable annual increases as per proposition 2 ½, motor vehicle excise taxes increased by \$58,702; and intergovernmental increased \$33,946; while payments in lieu of taxes (primarily Gillette Stadium lease payments) decreased -\$248,822, and investment income decreased by -\$28,064.

General fund budgetary expenditures were increased during the year by \$3,000. Actual expenditures were less than budgeted expenditures by \$1.41 million. After accounting for other financing sources and uses, the budgetary fund balance of the general fund was increased by \$0.52 million to \$8.24 million.

The Stabilization funds, which are now included within the General Fund as per GASB 54, has accumulated balances of \$4.54 million, which represents 5.28% of FY 2022 general fund expenditures. However, all of these funds can be used for general or capital purposes upon Town Meeting approval.

The School Building fund balance decreased by -\$1.56 million to \$0.99 million. All other Non-Major Governmental Fund balances increased in total by \$1.79 million to \$10.91 million as a result of \$14.05 million received in revenues less \$11.33 million in expenditures and a net of -\$0.93 million in transfers out.

### ***General Fund Budget Highlights***

Actual FY 2022 general fund revenues were more than budgeted revenues by \$2,757,049, primarily driven by departmental and other of \$2,257,800 and strong property tax collection performance of \$0.68 million; while other revenue categories each decreased by a combined total of -\$278,447. General fund expenses were \$1,408,065 less than budget in total due to management's continued focus on cost containment and budget management. Net operating transfers in/out were less than planned by -\$26,549. The net result was a \$524,082 increase to FY 2022 budgetary fund balance, at \$8.24 million.

**Capital Asset and Debt Administration**

**Capital Assets** - In conjunction with the operating budget, the Town annually prepares capital budgets for the upcoming fiscal year in addition to a five-year capital plan.

The Town's ownership of, or investment in, capital assets for governmental and business type activities, as summarized below, as of June 30, 2022, amounts to \$163.18 million, net of accumulated depreciation. The value in capital assets includes land, buildings, capital improvements, machinery, equipment, software, vehicles, water, sewer, and roadway infrastructure and construction in progress.

The governmental activities capital assets were increased by \$6.41 million and reduced by a net of \$5.12 million in depreciation during fiscal 2022, for a net \$1.29 million increase. During FY 2021 significant fixed asset acquisitions included construction in progress on the Burrell School Renovations for \$13.2 million.

Business-type activities capital assets were increased by \$6.29 million in investments and reduced by \$1.61 million in depreciation for a net increase of \$4.68 million. The asset increases were primarily due to various water system infrastructure improvements.

In summary, total increases net of depreciation to town wide capital assets are \$5.97 million.

Capital Assets (Net of Depreciation)									
	Governmental Activities			Business-type Activities			Total Primary Government		
	FY 2022	FY 2021	Increase (Decrease)	FY 2022	FY 2021	Increase (Decrease)	FY 2022	FY 2021	Increase (Decrease)
Land	\$ 6,537,225	\$ 6,537,225	\$ -	\$ 692,282	\$ 692,282	\$ -	\$ 7,229,507	\$ 7,229,507	\$ -
Buildings	50,908,906	53,407,012	(2,498,106)	164,493	168,954	(4,461)	51,073,399	53,575,966	(2,502,567)
Capital Improvements (other than buildings)	935,317	882,870	52,447	-	-	-	935,317	882,870	52,447
Machinery and Equipment	3,142,776	3,551,472	(408,696)	1,245,904	1,680,823	(434,919)	4,388,680	5,232,295	(843,615)
Vehicles	4,427,194	3,824,135	603,059	282,020	361,336	(79,316)	4,709,214	4,185,471	523,743
Infrastructure	17,914,393	17,951,533	(37,140)	36,343,848	21,625,205	14,718,643	54,258,241	39,576,738	14,681,503
Construction in Progress	30,834,881	27,257,214	3,577,667	9,754,893	19,276,896	(9,522,003)	40,589,774	46,534,110	(5,944,336)
<b>Total Capital Assets</b>	<b>\$ 114,700,692</b>	<b>\$ 113,411,461</b>	<b>\$ 1,289,231</b>	<b>\$ 48,483,440</b>	<b>\$ 43,805,496</b>	<b>\$ 4,677,944</b>	<b>\$ 163,184,132</b>	<b>\$ 157,216,957</b>	<b>\$ 5,967,175</b>

**Long Term Debt** - The Town's debt burden is reasonable in relation to other communities its size. Outstanding long-term debt, as of June 30, 2022, totaled \$63.76 million. Business-type activities have debt of \$35.47 million that is fully supported by their respective utility rates. Total debt consists of the following:

### Outstanding Debt at Year End

<u>Governmental Activities</u>	<u>Outstanding June 30, 2022</u>	<u>Outstanding June 30, 2021</u>	<u>Increase (Decrease)</u>
Burrell School Renovation	\$ 12,595,000	\$ 13,045,000	\$ (450,000)
High School Renovation	4,160,000	4,680,000	(520,000)
Library Renovation	3,545,000	3,900,000	(355,000)
Title V	330,000	360,000	(30,000)
School	-	65,000	(65,000)
Land Acquisition	140,000	215,000	(75,000)
Town Hall Renovation	4,790,000	5,135,000	(345,000)
Ahern School Building	582,000	781,000	(199,000)
Public Safety Building	2,139,000	2,735,000	(596,000)
School Remodeling	12,000	18,000	(6,000)
<b>Total Governmental Activities</b>	<u>\$ 28,293,000</u>	<u>\$ 30,934,000</u>	<u>\$ (2,641,000)</u>
<u>Business-type Activities</u>	<u>Outstanding June 30, 2022</u>	<u>Outstanding June 30, 2021</u>	<u>Increase (Decrease)</u>
Sewer	\$ 27,000	\$ 36,000	(9,000)
Water	8,310,000	8,600,000	(290,000)
Water	9,030,000	9,355,000	(325,000)
Water	1,692,766	1,915,818	(223,052)
Water	2,900,000	3,190,000	(290,000)
Water Reuse	100,000	205,000	(105,000)
Water	165,000	335,000	(170,000)
Water	44,605	81,907	(37,302)
Water Treatment Facility	13,200,000	13,750,000	(550,000)
<b>Total Business-type Activities</b>	<u>\$ 35,469,371</u>	<u>\$ 37,468,725</u>	<u>\$ (1,999,354)</u>
<b>Total Primary Government</b>	<u>\$ 63,762,371</u>	<u>\$ 68,402,725</u>	<u>\$ (4,640,354)</u>

Please refer to **Notes 5 and 10** for further discussion of the major capital and debt activities



### ***Economic Factors and Next Year's Budgets & Rates***

- The Town experienced new growth in fiscal 2023 of \$923,525.
- The fiscal 2023 tax rate was set at \$14.21 residential and \$18.37 commercial.
- Free Cash was certified at \$5,223,577 for the Town's General Fund, an increase of \$1,364,204 over the last fiscal year. This amount represents that portion of General Fund unassigned fund balance that is available for appropriation at future Town Meetings.
- Excess levy capacity is the difference between the Town's actual levy and the Town's maximum allowable levy including debt exclusions. The Town's excess levy capacity for fiscal year 2023 totaled \$40,799. The fiscal year 2022 excess levy capacity totaled \$25,610.
- The Town's per capita income was \$53,382, while the unemployment rate for the Town was 5.05%.
- The average 2023 single family home in the Town of Foxborough was valued at \$552,606 with an average annual tax bill of \$7,853.
- The Town has a balanced budget for FY2023 and FY2024.

### ***Request for Information***

This financial report is designed to provide a general overview of the Town of Foxborough's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 40 South Street, Foxborough, MA 02035. Financial and direct contact information can also be found on the Town of Foxborough's website at [www.foxboroughma.gov](http://www.foxboroughma.gov).

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
<b>CURRENT:</b>			
CASH AND SHORT-TERM INVESTMENTS	\$ 26,654,011	\$ 15,013,980	\$ 41,667,991
INVESTMENTS	4,566,658	-	4,566,658
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES	417,969	-	417,969
TAX LIENS	1,465,441	-	1,465,441
MOTOR VEHICLE EXCISE TAXES	416,372	-	416,372
USER FEES	-	2,066,588	2,066,588
DEPARTMENTAL AND OTHER	643,563	-	643,563
LEASES	61,273	-	61,273
INTERGOVERNMENTAL	1,269,706	-	1,269,706
OTHER ASSETS	-	229	229
<b>NONCURRENT:</b>			
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:			
LEASES	983,389	-	983,389
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	<u>114,700,692</u>	<u>48,483,440</u>	<u>163,184,132</u>
<b>TOTAL ASSETS</b>	<u>151,179,074</u>	<u>65,564,237</u>	<u>216,743,311</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
RELATED TO PENSIONS	4,253,187	88,572	4,341,759
RELATED TO POST EMPLOYMENT BENEFITS	<u>9,461,567</u>	<u>71,765</u>	<u>9,533,332</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>13,714,754</u>	<u>160,337</u>	<u>13,875,091</u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
ACCOUNTS PAYABLE	5,485,001	2,580,371	8,065,372
OTHER LIABILITIES	300,433	-	300,433
ACCRUED INTEREST	233,929	220,003	453,932
LANDFILL POSTCLOSURE CARE COSTS	37,000	-	37,000
COMPENSATED ABSENCES	673,949	49,457	723,406
CAPITAL LEASES PAYABLE	229,979	-	229,979
BONDS AND NOTES PAYABLE	2,780,357	2,279,327	5,059,684
<b>NONCURRENT:</b>			
LANDFILL POSTCLOSURE CARE COSTS	222,000	-	222,000
COMPENSATED ABSENCES	1,251,844	35,002	1,286,846
POSTEMPLOYMENT BENEFITS	31,744,422	240,778	31,985,200
NET PENSION LIABILITY	23,064,793	480,320	23,545,113
CAPITAL LEASES PAYABLE	827,077	-	827,077
BONDS AND NOTES PAYABLE	<u>27,241,648</u>	<u>35,629,194</u>	<u>62,870,842</u>
<b>TOTAL LIABILITIES</b>	<u>94,092,432</u>	<u>41,514,452</u>	<u>135,606,884</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
DEFERRED AMOUNT ON REFUNDING	64,874	-	64,874
RELATED TO PENSIONS	10,463,201	217,894	10,681,095
RELATED TO POST EMPLOYMENT BENEFITS	6,070,027	46,040	6,116,067
RELATED TO LEASES	<u>1,044,662</u>	<u>-</u>	<u>1,044,662</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>17,642,764</u>	<u>263,934</u>	<u>17,906,698</u>
<b>NET POSITION</b>			
NET INVESTMENT IN CAPITAL ASSETS	84,547,597	19,266,605	103,814,202
RESTRICTED FOR:			
PERMANENT FUNDS:			
EXPENDABLE	239,235	-	239,235
NONEXPENDABLE	174,565	-	174,565
OTHER PURPOSES	15,569,677	-	15,569,677
UNRESTRICTED	<u>(47,372,442)</u>	<u>4,679,583</u>	<u>(42,692,859)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 53,158,632</u>	<u>\$ 23,946,188</u>	<u>\$ 77,104,820</u>

See accompanying notes to the basic financial statements

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2022**

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	
<b>PRIMARY GOVERNMENT:</b>					
GOVERNMENTAL ACTIVITIES:					
GENERAL GOVERNMENT	\$ 4,918,431	\$ 910,421	\$ 257,658	\$ -	\$ (3,750,352)
PUBLIC SAFETY	15,049,731	7,409,279	445,507	-	(7,194,945)
EDUCATION	49,003,310	1,201,677	14,483,570	3,539,262	(29,778,801)
PUBLIC WORKS	3,680,261	14,617	5,872	397,305	(3,262,467)
HUMAN SERVICES	1,278,681	324,334	531,666	-	(422,681)
CULTURE & RECREATION	1,976,783	442,829	155,326	-	(1,378,628)
EMPLOYEE BENEFITS	17,800,641	-	5,995,944	-	(11,804,697)
STATE & COUNTY ASSESSMENTS	620,842	-	-	-	(620,842)
INTEREST	770,121	-	-	-	(770,121)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>95,098,801</b>	<b>10,303,157</b>	<b>21,875,543</b>	<b>3,936,567</b>	<b>(58,983,534)</b>
BUSINESS-TYPE ACTIVITIES:					
WATER	6,153,849	6,805,401	256,020	13,241	920,813
SEWER	1,715,972	1,251,330	164,858	-	(299,784)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>7,869,821</b>	<b>8,056,731</b>	<b>420,878</b>	<b>13,241</b>	<b>621,029</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 102,968,622</b>	<b>\$ 18,359,888</b>	<b>\$ 22,296,421</b>	<b>\$ 3,949,808</b>	<b>\$ (58,362,505)</b>

See accompanying notes to the basic financial statements

(continued)

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2022**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>CHANGES IN NET POSITION:</b>			
NET (EXPENSE) REVENUE FROM PREVIOUS PAGE	\$ (58,983,534)	\$ 621,029	\$ (58,362,505)
GENERAL REVENUES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS PAYABLE	55,377,352	-	55,377,352
TAX LIENS	257,069	-	257,069
MOTOR VEHICLE AND OTHER EXCISE TAXES	3,128,962	-	3,128,962
HOTEL/MOTEL TAX	2,614,401	-	2,614,401
PENALTIES AND INTEREST ON TAXES	189,168	-	189,168
PAYMENTS IN LIEU OF TAXES	2,194,034	-	2,194,034
GRANTS AND CONTRIBUTIONS NOT RESTRICTED TO SPECIFIC PROGRAMS	1,932,281	-	1,932,281
UNRESTRICTED INVESTMENT INCOME	(17,618)	-	(17,618)
MISCELLANEOUS	220,155	-	220,155
TRANSFERS, NET	1,224,145	(1,224,145)	-
TOTAL GENERAL REVENUES AND TRANSFERS	67,119,949	(1,224,145)	65,895,804
CHANGE IN NET POSITION	8,136,415	(603,116)	7,533,299
<b>NET POSITION:</b>			
<b>BEGINNING OF YEAR</b>	45,022,217	24,549,304	69,571,521
<b>END OF YEAR</b>	\$ 53,158,632	\$ 23,946,188	\$ 77,104,820

See accompanying notes to the basic financial statements

(concluded)

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2022**

<b><u>ASSETS</u></b>	<b>GENERAL</b>	<b>SCHOOL BUILDING</b>	<b>NONMAJOR GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
CASH AND SHORT-TERM INVESTMENTS	\$ 14,569,655	\$ 2,281,954	\$ 9,802,402	\$ 26,654,011
INVESTMENTS	4,152,859	-	413,799	4,566,658
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:				
REAL ESTATE AND PERSONAL PROPERTY TAXES	417,969	-	-	417,969
TAX LIENS	1,465,441	-	-	1,465,441
MOTOR VEHICLE EXCISE TAXES	416,372	-	-	416,372
DEPARTMENTAL AND OTHER	500	-	643,063	643,563
INTERGOVERNMENTAL	7,168	-	1,262,538	1,269,706
<b>TOTAL ASSETS</b>	<b>\$ 21,029,964</b>	<b>\$ 2,281,954</b>	<b>\$ 12,121,802</b>	<b>\$ 35,433,720</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 3,910,955	\$ 1,291,114	\$ 282,932	\$ 5,485,001
OTHER LIABILITIES	18,063	-	282,370	300,433
<b>TOTAL LIABILITIES</b>	<b>3,929,018</b>	<b>1,291,114</b>	<b>565,302</b>	<b>5,785,434</b>
DEFERRED INFLOWS OF RESOURCES:				
UNAVAILABLE REVENUE	2,157,796	-	643,063	2,800,859
FUND BALANCES:				
NONSPENDABLE	-	-	174,565	174,565
RESTRICTED	373,174	990,840	11,541,779	12,905,793
COMMITTED	516,260	-	-	516,260
ASSIGNED	3,696,563	-	-	3,696,563
UNASSIGNED	10,357,153	-	(802,907)	9,554,246
<b>TOTAL FUND BALANCES</b>	<b>14,943,150</b>	<b>990,840</b>	<b>10,913,437</b>	<b>26,847,427</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>	<b>\$ 21,029,964</b>	<b>\$ 2,281,954</b>	<b>\$ 12,121,802</b>	<b>\$ 35,433,720</b>

See accompanying notes to the basic financial statements

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2022**

	<u>GENERAL</u>	<u>SCHOOL BUILDING</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b><u>REVENUES:</u></b>				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 55,554,240	\$ -	\$ -	\$ 55,554,240
INTERGOVERNMENTAL	16,927,517	3,539,262	6,332,383	26,799,162
MOTOR VEHICLE EXCISE TAXES	3,022,227	-	-	3,022,227
PAYMENTS IN LIEU OF TAXES	2,194,034	-	-	2,194,034
PENALTIES AND INTEREST ON TAXES	189,168	-	-	189,168
CHARGES FOR SERVICES	-	-	6,954,199	6,954,199
INVESTMENT INCOME	(17,761)	-	14,147	(3,614)
CONTRIBUTIONS & DONATIONS	-	-	295,002	295,002
DEPARTMENTAL AND OTHER	6,354,805	-	454,708	6,809,513
<b>TOTAL REVENUES</b>	<b>84,224,230</b>	<b>3,539,262</b>	<b>14,050,439</b>	<b>101,813,931</b>
<b><u>EXPENDITURES:</u></b>				
CURRENT:				
GENERAL GOVERNMENT	4,514,899	-	320,589	4,835,488
PUBLIC SAFETY	10,723,451	-	4,589,066	15,312,517
EDUCATION	40,850,100	5,099,837	5,042,748	50,992,685
PUBLIC WORKS	2,622,262	-	660,980	3,283,242
HUMAN SERVICES	1,133,799	-	111,099	1,244,898
CULTURE & RECREATION	1,210,159	-	450,858	1,661,017
EMPLOYEE BENEFITS	20,685,695	-	126,147	20,811,842
STATE & COUNTY ASSESSMENTS	620,842	-	-	620,842
DEBT SERVICE				
PRINCIPAL	2,611,000	-	30,000	2,641,000
INTEREST	1,051,778	-	-	1,051,778
<b>TOTAL EXPENDITURES</b>	<b>86,023,985</b>	<b>5,099,837</b>	<b>11,331,487</b>	<b>102,455,309</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,799,755)</b>	<b>(1,560,575)</b>	<b>2,718,952</b>	<b>(641,378)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
PROCEEDS FROM CAPITAL LEASE	-	-	960,000	960,000
OPERATING TRANSFERS IN	3,133,660	-	6,700	3,140,360
OPERATING TRANSFERS OUT	(24,323)	-	(1,891,892)	(1,916,215)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,109,337</b>	<b>-</b>	<b>(925,192)</b>	<b>2,184,145</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,309,582</b>	<b>(1,560,575)</b>	<b>1,793,760</b>	<b>1,542,767</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>13,633,568</b>	<b>2,551,415</b>	<b>9,119,677</b>	<b>25,304,660</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 14,943,150</b>	<b>\$ 990,840</b>	<b>\$ 10,913,437</b>	<b>\$ 26,847,427</b>

See accompanying notes to the basic financial statements

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022**

<b>TOTAL GOVERNMENTAL FUND BALANCES</b>		\$ 26,847,427
CAPITAL ASSETS (NET) USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS		114,700,692
ACCOUNTS RECEIVABLE ARE NOT AVAILABLE TO PAY FOR CURRENT-PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS		2,800,859
IN THE STATEMENT OF ACTIVITIES, INTEREST IS ACCRUED ON OUTSTANDING LONG-TERM DEBT, WHEREAS IN GOVERNMENTAL FUNDS INTEREST IS NOT REPORTED UNTIL DUE		(233,929)
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE GOVERNMENTAL FUNDS		
BONDS AND NOTES PAYABLE	(28,293,000)	
CAPITAL LEASES PAYABLE	(1,057,056)	
DEFERRED AMOUNT ON REFUNDING	(64,874)	
UNAMORTIZED BOND PREMIUM	(1,729,005)	
NET PENSION LIABILITY	(23,064,793)	
DEFERRED INFLOWS OF RESOURCES - RELATED TO PENSIONS	(10,463,201)	
DEFERRED OUTFLOWS OF RESOURCES - RELATED TO PENSIONS	4,253,187	
COMPENSATED ABSENCES	(1,925,793)	
POSTEMPLOYMENT BENEFITS	(31,744,422)	
DEFERRED INFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	(6,070,027)	
DEFERRED OUTFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	9,461,567	
LANDFILL POSTCLOSURE CARE COSTS	<u>(259,000)</u>	
NET EFFECT OF REPORTING LONG-TERM LIABILITIES		<u>(90,956,417)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<u>\$ 53,158,632</u>

See accompanying notes to the basic financial statements

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2022**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 1,542,767

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	6,407,787	
DEPRECIATION EXPENSE	<u>(5,118,556)</u>	
NET EFFECT OF REPORTING CAPITAL ASSETS		1,289,231

REVENUES IN THE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE CURRENT FINANCIAL RESOURCES ARE FULLY DEFERRED IN THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES. THEREFORE, THE RECOGNITION OF REVENUE FOR VARIOUS TYPES OF ACCOUNTS RECEIVABLE (I.E. REAL ESTATE AND PERSONAL PROPERTY, MOTOR VEHICLE EXCISE, ETC.) DIFFER BETWEEN THE TWO STATEMENTS. THIS AMOUNT REPRESENTS THE NET CHANGE IN DEFERRED REVENUE 197,140

THE ISSUANCE OF LONG-TERM DEBT (E.G., BONDS) PROVIDES CURRENT FINANCIAL RESOURCES TO GOVERNMENTAL FUNDS, WHILE THE REPAYMENT OF THE PRINCIPAL OF LONG-TERM DEBT CONSUMES THE FINANCIAL RESOURCES OF GOVERNMENTAL FUNDS. NEITHER TRANSACTION, HOWEVER, HAS ANY EFFECT ON NET ASSETS. ALSO, GOVERNMENTAL FUNDS REPORT THE EFFECT OF ISSUANCE COSTS, PREMIUMS, DISCOUNTS, AND SIMILAR ITEMS WHEN DEBT IS FIRST ISSUED, WHEREAS THESE AMOUNTS ARE DEFERRED AND AMORTIZED IN THE STATEMENT OF ACTIVITIES.

PROCEEDS FROM CAPITAL LEASES	(960,000)	
DEBT SERVICE PRINCIPAL PAYMENTS	<u>2,641,000</u>	
NET EFFECT OF REPORTING LONG-TEM DEBT		1,681,000

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	(68,957)	
NET CHANGE IN POSTEMPLOYMENT BENEFITS ACCRUAL	(6,121,464)	
NET CHANGE IN DEFERRED INFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	3,406,029	
NET CHANGE IN DEFERRED OUTFLOWS OF RESOURCES - RELATED TO POSTEMPLOYMENT BENEFITS	2,178,871	
NET CHANGE IN DEFERRED INFLOWS OF RESOURCES - RELATED TO PENSIONS	(4,356,056)	
NET CHANGE IN DEFERRED OUTFLOWS OF RESOURCES - RELATED TO PENSIONS	(1,359,632)	
NET CHANGE IN NET PENSION LIABILITY	9,332,410	
NET CHANGE IN CAPITAL LEASES	96,419	
NET CHANGE IN LANDFILL POSTCLOSURE CARE ACCRUAL	37,000	
NET CHANGE IN DEFERRED AMOUNT ON REFUNDING	50,291	
NET CHANGE IN UNAMORTIZED BOND PREMIUM	204,915	
NET CHANGE IN ACCRUED INTEREST ON LONG-TERM DEBT	<u>26,451</u>	
NET EFFECT OF RECORDING LONG-TERM LIABILITIES		<u>3,426,277</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 8,136,415**

See accompanying notes to the basic financial statements



**TOWN OF FOXBOROUGH, MASSACHUSETTS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FISCAL YEAR ENDED JUNE 30, 2022**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL BUDGETARY AMOUNTS</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
<b><u>REVENUES:</u></b>				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 54,869,192	\$ 54,869,192	\$ 55,554,240	\$ 685,048
MOTOR VEHICLE EXCISE TAXES	2,963,525	2,963,525	3,022,227	58,702
PENALTIES & INTEREST ON TAXES	190,729	190,729	189,168	(1,561)
INTERGOVERNMENTAL	11,311,906	11,311,906	11,345,852	33,946
PAYMENTS IN LIEU OF TAXES	2,442,856	2,442,856	2,194,034	(248,822)
INVESTMENT INCOME	87,885	87,885	59,821	(28,064)
DEPARTMENTAL AND OTHER	4,097,005	4,097,005	6,354,805	2,257,800
	<u>75,963,098</u>	<u>75,963,098</u>	<u>78,720,147</u>	<u>2,757,049</u>
<b><u>EXPENDITURES:</u></b>				
CURRENT:				
GENERAL GOVERNMENT	4,802,070	4,879,070	4,626,398	252,672
PUBLIC SAFETY	10,908,124	10,958,923	10,747,575	211,348
EDUCATION	42,144,080	42,144,080	41,578,154	565,926
PUBLIC WORKS	2,544,537	2,544,537	2,622,262	(77,725)
HUMAN SERVICES	1,134,993	1,161,694	1,125,799	35,895
CULTURE & RECREATION	1,316,089	1,344,089	1,269,017	75,072
EMPLOYEE BENEFITS	15,621,497	15,465,997	15,104,030	361,967
STATE & COUNTY ASSESSMENTS	601,507	601,507	620,842	(19,335)
DEBT SERVICE:				
PRINCIPAL	2,611,000	2,611,000	2,611,000	-
INTEREST	1,026,570	1,002,570	1,000,325	2,245
	<u>82,710,467</u>	<u>82,713,467</u>	<u>81,305,402</u>	<u>1,408,065</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,747,369)</u>	<u>(6,750,369)</u>	<u>(2,585,255)</u>	<u>4,165,114</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
OPERATING TRANSFERS IN	3,135,886	3,135,886	3,133,660	(2,226)
OPERATING TRANSFERS OUT	-	-	(24,323)	(24,323)
	<u>3,135,886</u>	<u>3,135,886</u>	<u>3,109,337</u>	<u>(26,549)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,611,483)</b>	<b>(3,614,483)</b>	<b>524,082</b>	<b>4,138,565</b>
<b>BUDGETARY FUND BALANCE, BEGINNING OF YEAR</b>	<b>7,711,454</b>	<b>7,711,454</b>	<b>7,711,454</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, END OF YEAR</b>	<b>\$ 4,099,971</b>	<b>\$ 4,096,971</b>	<b>\$ 8,235,536</b>	<b>\$ 4,138,565</b>

See accompanying notes to the basic financial statements

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2022**

<b><u>ASSETS</u></b>	<b><u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u></b>		
	<b><u>WATER</u></b>	<b><u>SEWER</u></b>	<b><u>TOTAL</u></b>
<b>CURRENT:</b>			
CASH AND SHORT-TERM INVESTMENTS	\$ 13,860,128	\$ 1,153,852	\$ 15,013,980
USER FEES	1,836,169	230,419	2,066,588
OTHER ASSETS	-	229	229
TOTAL CURRENT ASSETS	<u>15,696,297</u>	<u>1,384,500</u>	<u>17,080,797</u>
<b>NONCURRENT:</b>			
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	<u>46,397,291</u>	<u>2,086,149</u>	<u>48,483,440</u>
<b>TOTAL ASSETS</b>	<u>62,093,588</u>	<u>3,470,649</u>	<u>65,564,237</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
RELATED TO PENSIONS	60,785	27,787	88,572
RELATED TO POSTEMPLOYMENT BENEFITS	71,765	-	71,765
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>132,550</u>	<u>27,787</u>	<u>160,337</u>
<b><u>LIABILITIES</u></b>			
<b>CURRENT:</b>			
ACCOUNTS PAYABLE	2,500,778	79,593	2,580,371
ACCRUED INTEREST	219,671	332	220,003
COMPENSATED ABSENCES	44,511	4,946	49,457
BONDS AND NOTES PAYABLE	<u>2,270,327</u>	<u>9,000</u>	<u>2,279,327</u>
TOTAL CURRENT LIABILITIES	<u>5,035,287</u>	<u>93,871</u>	<u>5,129,158</u>
<b>NONCURRENT:</b>			
COMPENSATED ABSENCES	31,502	3,500	35,002
POSTEMPLOYMENT BENEFITS	240,778	-	240,778
NET PENSION LIABILITY	329,631	150,689	480,320
BONDS AND NOTES PAYABLE	<u>35,611,194</u>	<u>18,000</u>	<u>35,629,194</u>
TOTAL NONCURRENT LIABILITIES	<u>36,213,105</u>	<u>172,189</u>	<u>36,385,294</u>
<b>TOTAL LIABILITIES</b>	<u>41,248,392</u>	<u>266,060</u>	<u>41,514,452</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
RELATED TO PENSIONS	149,535	68,359	217,894
RELATED TO POSTEMPLOYMENT BENEFITS	46,040	-	46,040
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>195,575</u>	<u>68,359</u>	<u>263,934</u>
<b><u>NET POSITION</u></b>			
NET INVESTMENT IN CAPITAL ASSETS UNRESTRICTED	17,193,539	2,073,066	19,266,605
	<u>3,588,632</u>	<u>1,090,951</u>	<u>4,679,583</u>
<b>TOTAL NET POSITION</b>	<u>\$ 20,782,171</u>	<u>\$ 3,164,017</u>	<u>\$ 23,946,188</u>

See accompanying notes to the basic financial statements

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FISCAL YEAR ENDED JUNE 30, 2022**

	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>		
	<b>WATER</b>	<b>SEWER</b>	<b>TOTAL</b>
<b><u>OPERATING REVENUES:</u></b>			
CHARGES FOR SERVICES	\$ 6,805,401	\$ 1,251,330	\$ 8,056,731
DEPARTMENTAL AND OTHER	252,239	163,717	415,956
TOTAL OPERATING REVENUES	7,057,640	1,415,047	8,472,687
<b><u>OPERATING EXPENSES:</u></b>			
GENERAL SERVICES	3,729,461	1,625,646	5,355,107
DEPRECIATION	1,519,672	89,492	1,609,164
TOTAL OPERATING EXPENSES	5,249,133	1,715,138	6,964,271
OPERATING INCOME (LOSS)	1,808,507	(300,091)	1,508,416
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>			
INTERGOVERNMENTAL	13,241	-	13,241
INVESTMENT INCOME	3,781	1,141	4,922
INTEREST EXPENSE	(904,716)	(834)	(905,550)
TOTAL NON-OPERATING REVENUES (EXPENSES), NET	(887,694)	307	(887,387)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	920,813	(299,784)	621,029
<b><u>OPERATING TRANSFERS:</u></b>			
OPERATING TRANSFERS IN	17,623	-	17,623
OPERATING TRANSFERS OUT	(1,090,249)	(151,519)	(1,241,768)
TOTAL OPERATING TRANSFERS	(1,072,626)	(151,519)	(1,224,145)
<b>CHANGE IN NET POSITION</b>	(151,813)	(451,303)	(603,116)
<b>NET POSITION AT BEGINNING OF YEAR</b>	20,933,984	3,615,320	24,549,304
<b>NET POSITION AT END OF YEAR</b>	\$ 20,782,171	\$ 3,164,017	\$ 23,946,188

See accompanying notes to the basic financial statements

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FISCAL YEAR ENDED JUNE 30, 2022**

	<b>BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS</b>		
	<b>WATER</b>	<b>SEWER</b>	<b>TOTAL</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
RECEIPTS FROM CUSTOMERS AND USERS	\$ 7,487,584	\$ 1,799,293	\$ 9,286,877
PAYMENTS TO SUPPLIERS	(1,871,589)	(1,439,832)	(3,311,421)
PAYMENTS TO EMPLOYEES	(1,566,193)	(166,830)	(1,733,023)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,049,802	192,631	4,242,433
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>			
OPERATING TRANSFERS IN ( OUT)	(1,072,626)	(151,519)	(1,224,145)
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>			
PRINCIPAL PAYMENTS ON BONDS AND NOTES	(1,979,924)	(9,000)	(1,988,924)
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(4,347,114)	(61,610)	(4,408,724)
INTEREST EXPENSE	(1,195,360)	(945)	(1,196,305)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES:	(7,522,398)	(71,555)	(7,593,953)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>			
INTEREST RECEIVED	3,781	1,141	4,922
NET INCREASE (DECREASE) IN CASH AND SHORT TERM INVESTMENTS	(4,541,441)	(29,302)	(4,570,743)
<b>CASH AND SHORT TERM INVESTMENTS - BEGINNING OF YEAR</b>	<b>18,401,569</b>	<b>1,183,154</b>	<b>19,584,723</b>
<b>CASH AND SHORT TERM INVESTMENTS - END OF YEAR</b>	<b>\$ 13,860,128</b>	<b>\$ 1,153,852</b>	<b>\$ 15,013,980</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS)</u></b>			
<b><u>TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>			
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 1,808,507</b>	<b>\$ (300,091)</b>	<b>\$ 1,508,416</b>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS)			
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
DEPRECIATION	1,519,672	89,492	1,609,164
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	429,944	384,247	814,191
(INCREASE) DECREASE IN DEFERRED OUTFLOWS OF RESOURCES	(15,885)	8,883	(7,002)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	285,913	(1,919)	283,994
INCREASE (DECREASE) IN COMPENSATED ABSENCES PAYABLE	(18,372)	(2,041)	(20,413)
INCREASE (DECREASE) IN POSTEMPLOYMENT BENEFITS	112,529	46,572	159,101
INCREASE (DECREASE) IN DEFERRED INFLOWS OF RESOURCES	60,868	28,459	89,327
INCREASE (DECREASE) IN NET PENSION LIABILITY	(133,374)	(60,971)	(194,345)
TOTAL ADJUSTMENTS	2,241,295	492,722	2,734,017
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 4,049,802</b>	<b>\$ 192,631</b>	<b>\$ 4,242,433</b>

See accompanying notes to the basic financial statements

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2022**

	<b>POSTEMPLOYMENT BENEFITS TRUST</b>	<b>PRIVATE PURPOSE TRUST FUNDS</b>
<b><u>ASSETS</u></b>		
CASH AND SHORT-TERM INVESTMENTS	\$ -	\$ 255,209
INVESTMENTS	12,730,789	186,886
TOTAL ASSETS	12,730,789	442,095
<b><u>LIABILITIES</u></b>	-	-
<b><u>NET POSITION</u></b>		
HELD IN TRUST FOR PLAN PARTICIPANTS	12,730,789	-
HELD IN TRUST FOR OTHER PURPOSES	-	442,095
TOTAL	\$ 12,730,789	\$ 442,095

**See accompanying notes to the basic financial statements**

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FISCAL YEAR ENDED JUNE 30, 2022**

	<b>POSTEMPLOYMENT BENEFITS TRUST</b>	<b>PRIVATE PURPOSE TRUST FUNDS</b>
<b><u>ADDITIONS:</u></b>		
CONTRIBUTIONS:		
EMPLOYER CONTRIBUTIONS	\$ 1,064,069	\$ -
EMPLOYER CONTRIBUTIONS TO PAY FOR OPEB BENEFITS	1,727,314	-
NET INVESTMENT INCOME (LOSS):		
INVESTMENT INCOME	(2,295,403)	(6,608)
TOTAL ADDITIONS	495,980	(6,608)
<b><u>DEDUCTIONS:</u></b>		
BENEFIT PAYMENTS	1,727,314	-
EDUCATIONAL SCHOLARSHIPS	-	14,000
TOTAL DEDUCTIONS	1,727,314	14,000
CHANGE IN NET POSITION	(1,231,334)	(20,608)
<b>NET POSITION AT BEGINNING OF YEAR</b>	13,962,123	462,703
<b>NET POSITION AT END OF YEAR</b>	\$ 12,730,789	\$ 442,095

See accompanying notes to the basic financial statements

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

*Primary Government*

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

*Joint Venture*

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

Name	Purpose	Address	Annual Assessment
Southeastern Regional Vocational Technical High School	To provide vocational education	250 Foundry Street Easton, MA 02375	\$ 772,769

The Southeast Regional Vocational School District (the District) is governed by a ten (10) member school committee consisting of one (1) elected representative from each participating municipality. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has no equity interest in the joint venture.

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

*Major Fund Criteria*

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

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

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

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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



**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

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

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

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

*Fund Financial Statements*

***Governmental Fund Financial Statements***

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

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

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

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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The Town reports the following major governmental funds:

- The *General fund* is the primary operating fund of the Town. It is used to account for all financial resources, except those that are required to be accounted for in another fund.
- The *School Building* fund is a capital project fund used to account for the costs related to building the new School.
- 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 the proceeds of specific revenue sources (other than permanent funds or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.
  - The *Capital Projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise and trust funds).
  - The *Permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

***Proprietary Fund Financial Statements***

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

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

The following major proprietary funds are reported:

- The *Water Enterprise fund* is used to account for water activities.
- The *Sewer Enterprise fund* is used to account for sewer activities.

***Fiduciary Fund Financial Statements***

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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The following fiduciary fund types are reported:

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

#### **D. Cash and Investments**

##### *Government-Wide and Fund Financial Statements*

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

#### **E. Fair Value Measurements**

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

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

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

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

**F. Accounts Receivable**

*Government-Wide and Fund Financial Statements*

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

*Real Estate, Personal Property Taxes and Tax Liens*

Real estate and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges. By law, all taxable property in the Commonwealth must be assessed at 100% of fair market value. Once levied, which is required to be at least 30 days prior to the due date, these taxes are recorded as receivables in the fiscal year of levy.

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

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

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

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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*Motor Vehicle Excise*

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

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

*Water and Sewer*

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

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

*Departmental and Other*

Departmental and other receivables consist primarily of Ambulance receivables and are recorded as receivables in the fiscal year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

*Intergovernmental*

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

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

*Leases Receivables*

The Town determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statement of net position.

Lease receivables represents the Town's claim to lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at the commencement date. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lease before the commencement of the lease term. The deferred inflows related leases are recognized as lease revenue in a systematic and rational manner over the lease term.

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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The Town has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their borrowing rate at the time of the contract to calculate the present value of expected lease payments.

**G. Inventories**

*Government-Wide and Fund Financial Statements*

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

**H. Capital Assets**

*Government-Wide and Proprietary Fund Financial Statements*

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

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

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

<u>Asset Class</u>	<u>Estimated Useful Life (in years)</u>
Buildings and Improvements	10-40
Capital Improvements (other than buildings)	10-20
Machinery and Equipment	5-15
Vehicles	5-15
Infrastructure	40
Software	3-5

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

*Governmental Fund Financial Statements*

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

**I. Interfund Receivables and Payables**

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

*Government-Wide Financial Statements*

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

**J. Interfund Transfers**

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

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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**K. Deferred Outflows/Inflows of Resources**

*Government-Wide Financial Statements (Net Position)*

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

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

*Governmental Funds Financial Statements*

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

**L. Net Position and Fund Equity**

*Government-Wide Financial Statements (Net Position)*

Net position is classified into three components:

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

Net position have been “restricted” for the following:

- *Permanent funds – expendable* represents amounts held in trust for which the expenditures are restricted by various trust agreements.
- *Permanent funds – nonexpendable* represents amounts held in trust for which only investment earnings may be expended.



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

*Fund Financial Statements (Fund Balances)*

The Town uses the following criteria for fund balance classification:

- For *nonspendable* fund balance: includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- For *restricted* fund balance: when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- For *committed* fund balance: (1) the government’s highest level of decision-making authority and (2) the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment.
- For *assigned* fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which the authorization is given.
- For *unassigned* fund balance: is the residual classification for the general fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

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

**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. Bonds payable are reported net of the applicable bond premium or discount.

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*Lease Payable*

The Town determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statement of net position.

Lease assets represents the Town's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Town's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The Town has elected to recognize payments received for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

*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. 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 Laws (MGL).

**O. Compensated Absences**

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay.

*Government-Wide and Proprietary Fund Financial Statements*

The total amount to be paid in future years is presented in the government-wide and proprietary funds statement of net position. The liability for vacation leave is based on the amount earned but not used; for sick leave, it is based on the amount accumulated at the balance sheet date (vesting method).

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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*Governmental Fund Financial Statements*

The portion of the liability related to unused sick and vacation time that has matured or is due as of June 30, 2022 is recorded in the governmental fund financial statement.

**P. Pensions**

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

**Q. Post-Retirement Benefits**

*Government-Wide and Fund Financial Statements*

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

**R. Use of Estimates**

*Government-Wide and Fund Financial Statements*

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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**S. Total Column**

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*A. Budgetary Basis of Accounting*

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

The majority of appropriations are non-continuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year. These carry forward articles, not encumbrances, are included as part of the subsequent fiscal year's original budget.

Original and supplemental appropriations are enacted upon by a Town Meeting vote. Management may not amend the budget without seeking the approval of the governing body. The Town's Advisory Committee can legally transfer funds from its reserve fund to other appropriations within the budget without seeking Town Meeting approvals. Also, as per Chapter 77 of the Acts 2007, the Town Manager with the concurrence of the Advisory Committee can make transfers in accordance with the limitations of this state statute. The original fiscal year 2022 approved budget authorized \$82,172,576 in current year appropriations and other amounts to be raised and \$537,891 in articles carried forward from previous fiscal years. Supplemental appropriation of \$3,000 was approved at one Town Meeting for fiscal year 2022.

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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*B. 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 fiscal year ended June 30, 2022, is presented below:

Net change in fund balance - budgetary basis	\$ 524,082
Basis of accounting differences:	
Net stabilization fund activity	(77,581)
Increase in revenue for on-behalf payments - MTRS	5,581,665
Increase in expenditures for on-behalf payments - MTRS	(5,581,665)
Interest Expenses	(51,453)
Adjustment for Current Year Encumbrances	960,941
Adjustment for Current Year Articles	516,260
Adjustment for expenditures from prior year encumbrances	<u>(562,667)</u>
Net change in fund balance - GAAP basis	<u>\$ 1,309,582</u>

*C. Excess of Expenditures over Appropriations*

For the fiscal year ended June 30, 2022, actual expenditures exceeded appropriations for the snow and ice. These over-expenditures will be funded by available funds during fiscal year 2023, as is allowed by Massachusetts General Laws (MGL).

*D. Deficit Fund Balances*

Several individual fund deficits exist within the special revenue funds. These individual deficits will be eliminated through subsequent fiscal year budget transfers, grants, and/or proceeds from long term debt during fiscal year 2023.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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*Deposits*

- *Custodial Credit Risk - Deposits*

Custodial credit risk is the risk that in the event of bank failure, the Town’s deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the deposits “in a bank or trust company, or banking company to an amount not exceeding sixty percent (60%) of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or Banking Company for such excess.”

When possible, deposits should be made to institutions maintaining FDIC and DIF insurance or commercial institutions offering collateralization of funds above the FDIC limits.

The Town carries deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC), and the Depositor’s Insurance Fund (DIF). The Town also carries deposits that are uninsured, uncollateralized, or collateral held by the pledging bank’s trust department not in the Town’s name.

The following table illustrates how much of the Town’s bank deposits are insured, and how much of the Town’s bank deposits are uninsured, uncollateralized, or collateral held by the pledging bank’s trust department not in the Town’s name as of June 30, 2022:

Total bank balances		<u><u>\$ 39,160,557</u></u>
Bank balances covered by deposit insurance		
Federal Deposit Insurance Corporation (FDIC)	2,295,313	
Depositor's Insurance Fund (DIF)	<u>9,754,752</u>	
Total bank balances covered by deposit insurance		12,050,065
Balances subject to custodial credit risk		
Bank balances collateralized with securities held by the pledging financial institutions trust department or agent but not in the Town's name	18,691,432	
Bank balances uninsured & uncollateralized	<u>8,419,060</u>	
Total bank balances subject to custodial credit risk		<u>27,110,492</u>
Total bank balances		<u><u>\$ 39,160,557</u></u>

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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*Investments*

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

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

- **Credit Risk**

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

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

Investment type	Fair value	Minimum Legal Rating	Rating as of Year End						
			Aaa	A1	A2	A3	Baa1	Baa2	Unrated
Corporate Bonds	\$ 2,041,583	N/A	\$ 17,727	\$ 402,996	\$ 326,864	\$ 207,294	\$ 426,878	\$ 659,824	\$ -
Common Stock	90,957	N/A	-	-	-	-	-	-	90,957
Fixed income mutual funds	3,657,281	N/A	-	-	-	-	-	-	3,657,281
Equity mutual funds	9,565,291	N/A	-	-	-	-	-	-	9,565,291
Money market mutual funds	502,766	N/A	-	-	-	-	-	-	502,766
U.S. Government Agencies & Securities	1,073,688	N/A	1,033,640	-	-	-	-	-	40,048
Certificate of Deposit	552,767	N/A	-	-	-	-	-	-	552,767
<b>Total Investments</b>	<b>\$ 17,484,333</b>		<b>\$ 1,051,367</b>	<b>\$ 402,996</b>	<b>\$ 326,864</b>	<b>\$ 207,294</b>	<b>\$ 426,878</b>	<b>\$ 659,824</b>	<b>\$ 14,409,110</b>

- **Custodial Credit Risk**

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in possession of an outside party. The Town has no custodial credit risk exposure related to the corporate bonds, U.S. Government agencies and securities, common stock, and certificate of deposit because the related securities are registered in the name of the Town. The mutual fund investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Town will minimize Custodial Credit Risk (loss due to the failure of the security issuer) by limiting investments to those approved by the Commonwealth of Massachusetts Commissioners of Banks known as the "legal" list.

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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- *Interest Rate Risk*

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

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

Investment type	Fair value	Investment maturities (in years)	
		Less than 1	1-5
<b><i>Debt Related Securities:</i></b>			
Corporate bonds	\$ 2,041,583	\$ 207,294	\$ 1,834,289
Fixed income mutual funds	3,657,281	3,657,281	-
U.S. Government & Agency	1,073,688	456,634	617,054
Certificate of deposit	<u>552,767</u>	<u>406,935</u>	<u>145,832</u>
Total - Debt related securities	<u>7,325,319</u>	<u>4,728,144</u>	<u>2,597,175</u>
<b><i>Other Investments:</i></b>			
Equity mutual funds	9,565,291	9,565,291	-
Money market mutual funds	502,766	502,766	-
Common Stock	<u>90,957</u>	<u>90,957</u>	<u>-</u>
Total Other Investments	<u>10,159,014</u>	<u>10,159,014</u>	<u>-</u>
Total Investments	<u>\$ 17,484,333</u>	<u>\$ 14,887,158</u>	<u>\$ 2,597,175</u>

- *Concentration of Credit Risk*

The Town will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Investments in foreign currency are not permitted.

Investments in stocks and bonds shall adhere to the legal list and not exceed 20% of the total portfolio nor an amount greater than the non-expendable trusts. These investments are long term and care should be taken to preserve principal value.



**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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More than 5% of the Town's investments are in the following securities:

<u>Issuer</u>	<u>Percentage of Total Investments</u>
Alger Focus Equity CLZ	7.56%
Carillon Eagle Growth & Inc.	9.56%

*Fair Market Value of Investments*

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

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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The Town has the following recurring fair value measurement as of June 30, 2022.

Investment Type	June 30, 2022	Fair Value Measurements Using		
		Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Debt securities</b>				
Certificate of Deposit	\$ 552,767	\$ 552,767	\$ -	\$ -
U.S. Government Agencies	1,073,688	1,073,688	-	-
Corporate Bonds	2,041,583	-	2,041,583	-
Fixed Income Mutual Funds	3,657,281	-	3,657,281	-
Total debt securities	7,325,319	1,626,455	5,698,864	-
<b>Other Investments</b>				
Common Stock	90,957	90,957	-	-
Mutual Funds	502,766	502,766	-	-
Equity Mutual Funds	9,565,291	9,565,291	-	-
Total other investments	10,159,014	10,159,014	-	-
Total investments measured at fair value	17,484,333	\$ 11,785,469	\$ 5,698,864	\$ -
<b>Investments measured at amortized cost</b>				
Massachusetts Municipal Depository Trust - (MMDT)	4,553,354			
<b>Total Investments</b>	<u>\$ 22,037,687</u>			

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

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – RECEIVABLES**

The receivables at June 30, 2022 for the Town’s individual major, and nonmajor governmental in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Receivables	Gross Amount	Allowance for Uncollectibles	Net Amount
Real estate taxes	\$ 372,578	\$ -	\$ 372,578
Personal property taxes	204,991	(159,600)	45,391
Real estate and personal property taxes	577,569	(159,600)	417,969
Tax liens	1,465,441	-	1,465,441
Motor vehicle excise taxes	522,372	(106,000)	416,372
Departmental and other	775,708	(132,145)	643,563
Leases	1,044,662	-	1,044,662
Intergovernmental	1,269,706	-	1,269,706
Total	<u>\$ 5,655,458</u>	<u>\$ (397,745)</u>	<u>\$ 5,257,713</u>

The receivables at June 30, 2022, for the enterprise funds consist of the following:

Receivables:	Gross Amount	Allowance for Uncollectibles	Net Amount
<i>Water</i>			
User fees	\$ 1,836,169	\$ -	\$ 1,836,169
<i>Sewer</i>			
User fees	230,419	-	230,419
Total	<u>\$ 2,066,588</u>	<u>\$ -</u>	<u>\$ 2,066,588</u>

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

Deferred Inflows of Resources Analysis

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Deferred Inflows:	General Fund	Nonmajor Governmental Funds	Total
Deferred Property Taxes	\$ 275,482	\$ -	\$ 275,482
Deferred Other Revenue	1,882,314	643,063	2,525,377
Total	<u>\$ 2,157,796</u>	<u>\$ 643,063</u>	<u>\$ 2,800,859</u>

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 5 – CAPITAL ASSETS**

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

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases & Reclassifications	Ending Balance
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$ 6,537,225	\$ -	\$ -	\$ 6,537,225
Construction in progress	27,257,214	3,851,917	(274,250)	30,834,881
Total capital assets not being depreciated	33,794,439	3,851,917	(274,250)	37,372,106
<b><i>Capital assets being depreciated:</i></b>				
Buildings and improvements	101,611,049	-	-	101,611,049
Capital improvements (other than buildings)	1,641,561	171,053	-	1,812,614
Machinery and equipment	10,889,588	507,326	-	11,396,914
Vehicles	17,211,975	1,480,186	-	18,692,161
Software	822,790	-	-	822,790
Infrastructure	31,041,816	397,305	274,250	31,713,371
Total capital assets being depreciated	163,218,779	2,555,870	274,250	166,048,899
<b><i>Less accumulated depreciation for:</i></b>				
Buildings and improvements	(48,204,037)	(2,498,106)	-	(50,702,143)
Capital improvements (other than buildings)	(758,691)	(118,606)	-	(877,297)
Machinery and equipment	(7,338,116)	(916,022)	-	(8,254,138)
Vehicles	(13,387,840)	(877,127)	-	(14,264,967)
Software	(822,790)	-	-	(822,790)
Infrastructure	(13,090,283)	(708,695)	-	(13,798,978)
Total accumulated depreciation	(83,601,757)	(5,118,556)	-	(88,720,313)
Total capital assets being depreciated, net	79,617,022	(2,562,686)	274,250	77,328,586
Total governmental activities capital assets, net	\$ 113,411,461	\$ 1,289,231	\$ -	\$ 114,700,692

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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<b>Business-Type Activities:</b>	Beginning Balance	Increases	Decreases & Reclassifications	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 692,282	\$ -	\$ -	\$ 692,282
Construction in progress	<u>6,062,128</u>	<u>4,225,498</u>	<u>(532,733)</u>	<u>9,754,893</u>
Total capital assets not being depreciated	<u>6,754,410</u>	<u>4,225,498</u>	<u>(532,733)</u>	<u>10,447,175</u>
<i>Capital assets being depreciated:</i>				
Machinery and equipment	4,349,191	-	-	4,349,191
Building and building improvements	178,423	-	-	178,423
Vehicles	1,061,988	-	-	1,061,988
Infrastructure	<u>45,915,716</u>	<u>2,061,610</u>	<u>532,733</u>	<u>48,510,059</u>
Total capital assets being depreciated	<u>51,505,318</u>	<u>2,061,610</u>	<u>532,733</u>	<u>54,099,661</u>
<i>Less accumulated depreciation for:</i>				
Machinery and equipment	(2,668,368)	(434,919)	-	(3,103,287)
Building and building improvements	(9,470)	(4,460)	-	(13,930)
Vehicles	(700,652)	(79,316)	-	(779,968)
Infrastructure	<u>(11,075,742)</u>	<u>(1,090,469)</u>	<u>-</u>	<u>(12,166,211)</u>
Total accumulated depreciation	<u>(14,454,232)</u>	<u>(1,609,164)</u>	<u>-</u>	<u>(16,063,396)</u>
Total capital assets being depreciated, net	<u>37,051,086</u>	<u>452,446</u>	<u>532,733</u>	<u>38,036,265</u>
Total business-type activities capital assets, net	<u>\$ 43,805,496</u>	<u>\$ 4,677,944</u>	<u>\$ -</u>	<u>\$ 48,483,440</u>

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities:</b>	
General government	\$ 364,125
Public safety	1,275,371
Education	2,066,012
Public works	1,063,499
Human services	33,783
Culture and recreation	315,766
 Total depreciation expense - governmental activities	 \$ 5,118,556

<b>Business-Type Activities:</b>	
Water	\$ 1,519,672
Sewer	89,492
 Total depreciation expense - business-type activities	 \$ 1,609,164

**NOTE 6 – CAPITAL LEASES**

The Town has entered into a lease agreements as lessee for financing the acquisition of fire engine, 2 ambulances and stryker cots, and Elgin Street Sweeper. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the capital leases are as follows:

	<b>Governmental Activities</b>
Assets:	
Vehicles	\$ 1,200,000
Machinery & Equipment	238,556
Less: Accumulated depreciation	(108,950)
	\$ 1,329,606

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2022, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2023	\$ 258,367
2024	258,367
2025	207,137
2026	207,137
2027	<u>207,137</u>
Total minimum lease payments	1,138,145
Less: amounts representing interest	<u>(81,089)</u>
Present value of minimum lease payments	<u><u>\$ 1,057,056</u></u>

**NOTE 7 – LEASES (LESSOR)**

The Town leases space on an existing Tower located at the Public Safety Building to New Cingular Wireless and Cellco Partnership (Verizon Wireless) for various terms under long-term, lease agreements. The leases expire at various dates through 2041.

The future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30</u>	<u>Total Payemnt</u>	<u>Less Interest</u>	<u>Principal</u>
2023	\$ 67,689	\$ (6,416)	\$ 61,273
2024	69,043	(7,805)	61,238
2025	70,424	(9,220)	61,204
2026	71,833	(10,660)	61,173
2027	73,269	(12,126)	61,143
2028-2032	388,922	(83,596)	305,326
2033 and thereafter	<u>592,229</u>	<u>(158,924)</u>	<u>433,305</u>
Total minimum lease payments	<u><u>\$ 1,333,409</u></u>	<u><u>\$ (288,747)</u></u>	<u><u>\$ 1,044,662</u></u>



**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 8 – INTERFUND TRANSFERS**

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

Operating Transfers Out:	Operating Transfers In:			Total	
	General Fund	Nonmajor Governmental Funds	Water Enterprise Fund		
Nonmajor Governmental Funds	\$ 1,855,865	\$ -	\$ -	\$ 1,855,865	(1)
Nonmajor Governmental Funds	36,027	-	-	36,027	(3)
General Fund	-	6,700	17,623	24,323	(3)
Water Enterprise Fund	1,090,249	-	-	1,090,249	(2)
Sewer Enterprise Fund	151,519	-	-	151,519	(2)
Total	<u>\$ 3,133,660</u>	<u>\$ 6,700</u>	<u>\$ 17,623</u>	<u>\$ 3,157,983</u>	

- (1) Represents budgeted transfers.
- (2) Represents budgeted transfers from the various enterprise funds to the general fund.
- (3) Other transfers.

**NOTE 9 – SHORT-TERM FINANCING**

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

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

Short-term loans are general obligations of the Town and maturity dates are governed by statute.

There were no short-term borrowings in Fiscal Year 2022.

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 10 – LONG-TERM DEBT**

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

The following is a summary of the changes in long-term debt for the year ended June 30, 2022:

**Bonds and Notes Payable Schedule -Governmental Funds**

Project	Interest Rate (%)	Outstanding at June 30, 2021	Issued	Redeemed	Outstanding at June 30, 2022
High School renovation	3.35	\$ 4,680,000	\$ -	\$ 520,000	\$ 4,160,000
Library renovation	2.79	3,900,000	-	355,000	3,545,000
Title V	0.00	360,000	-	30,000	330,000
School - Ahern Middle	1.21	65,000	-	65,000	-
Land Acquisition - Mill St.	1.21	215,000	-	75,000	140,000
Ahern School	1.40	781,000	-	199,000	582,000
Public Safety	1.60	1,263,000	-	217,000	1,046,000
Public Safety	1.41	1,472,000	-	379,000	1,093,000
School Remodeling	1.30	18,000	-	6,000	12,000
Town Hall	2.09	5,135,000	-	345,000	4,790,000
Burrell School Renovation	3.27	13,045,000	-	450,000	12,595,000
<b>Total Bonds and Notes Payable</b>		<b>30,934,000</b>	<b>-</b>	<b>2,641,000</b>	<b>28,293,000</b>
<b>Add: Unamortized Premium</b>		<b>1,933,920</b>	<b>-</b>	<b>204,915</b>	<b>1,729,005</b>
<b>Total</b>		<b>\$ 32,867,920</b>	<b>\$ -</b>	<b>\$ 2,845,915</b>	<b>\$ 30,022,005</b>

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The annual debt service requirements for principal and interest for Governmental bonds and notes outstanding at June 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 2,586,000	\$ 955,269	\$ 3,541,269
2024	2,596,000	859,714	3,455,714
2025	2,531,000	763,833	3,294,833
2026	2,005,000	678,569	2,683,569
2027	2,030,000	599,669	2,629,669
2028-2032	8,505,000	1,958,575	10,463,575
2033-2037	5,375,000	785,169	6,160,169
2038-2042	2,665,000	137,531	2,802,531
<b>Total</b>	<b>\$ 28,293,000</b>	<b>\$ 6,738,329</b>	<b>\$ 35,031,329</b>

**Bonds and Notes Payable Schedule -Water and Sewer Enterprise Funds**

Project	Interest Rate (%)	Outstanding at June 30, 2021	Issued	Redeemed	Outstanding at June 30, 2022
Water	2.79	\$ 3,190,000	\$ -	\$ 290,000	\$ 2,900,000
Water	2.00	1,915,818	-	223,052	1,692,766
Water Reuse	1.21	205,000	-	105,000	100,000
Water	1.21	335,000	-	170,000	165,000
Water	Var.	75,000	-	35,000	40,000
Water	1.21	6,907	-	2,302	4,605
Sewer	Var.	36,000	-	9,000	27,000
Water	Var.	13,750,000	-	550,000	13,200,000
Water	Var.	9,355,000	-	325,000	9,030,000
Water Systems Improvement	Var.	8,600,000	-	290,000	8,310,000
<b>Total Bonds and Notes Payable</b>		<b>37,468,725</b>	<b>-</b>	<b>1,999,354</b>	<b>35,469,371</b>
<b>Add: Unamortized Premium</b>		<b>2,706,583</b>	<b>-</b>	<b>267,433</b>	<b>2,439,150</b>
<b>Total</b>		<b>\$ 40,175,308</b>	<b>\$ -</b>	<b>\$ 2,266,787</b>	<b>\$ 37,908,521</b>

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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The annual debt service requirements for principal and interest for water and sewer enterprise fund bonds and notes outstanding at June 30, 2022 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,023,861	\$ 1,124,349	\$ 3,148,210
2024	1,753,458	1,048,794	2,802,252
2025	1,795,846	976,734	2,772,580
2026	1,826,631	905,614	2,732,245
2027	1,866,511	832,783	2,699,294
2028-2032	9,203,064	3,147,568	12,350,632
2033-2037	8,025,000	1,838,044	9,863,044
2038-2042	6,775,000	782,856	7,557,856
2043-2046	<u>2,200,000</u>	<u>165,000</u>	<u>2,365,000</u>
Total	<u>\$ 35,469,371</u>	<u>\$ 10,821,742</u>	<u>\$ 46,291,113</u>

**Loans Authorized and Unissued**

As of June 30, 2022, the Town has a loan authorized and unissued as follows:

<u>Description</u>	<u>Date Authorized</u>	<u>Amount</u>
Conservation - Land Acquisition	5/13/1986	\$ 130,000
Burrell Elementary School Renovation	10/1/2018	1,722,410
Additional Burrell Elementary School Renovation	5/13/2019	<u>64,000</u>
Total		<u>\$ 1,916,410</u>

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**Changes in Long-term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bonds and notes payable	\$ 30,934,000	\$ -	\$ (2,641,000)	\$ 28,293,000	\$ 2,586,000
Add: Unamortized Premium	1,933,920	-	(204,915)	1,729,005	194,357
Total Bonds and Notes Payable	32,867,920	-	(2,845,915)	30,022,005	2,780,357
Compensated absences	1,856,836	68,957	-	1,925,793	673,949
Postemployment Benefits	25,622,958	6,121,464	-	31,744,422	-
Capital Leases	193,475	960,000	(96,419)	1,057,056	229,979
Net pension liability	32,397,203	-	(9,332,410)	23,064,793	-
Landfill postclosure care costs	296,000	-	(37,000)	259,000	37,000
 Total governmental activities long-term liabilities	 <u>\$ 93,234,392</u>	 <u>\$ 7,150,421</u>	 <u>\$(12,311,744)</u>	 <u>\$ 88,073,069</u>	 <u>\$ 3,721,285</u>
 <u>Business-Type Activities:</u>	 <u>Beginning Balance</u>	 <u>Additions</u>	 <u>Reductions</u>	 <u>Ending Balance</u>	 <u>Current Portion</u>
Bonds and notes payable	\$ 37,468,725	\$ -	\$ (1,999,354)	\$ 35,469,371	\$ 2,023,861
Add: Unamortized Premiums	2,706,583	-	(267,433)	2,439,150	255,466
Total Bonds and Notes Payable	40,175,308	-	(2,266,787)	37,908,521	2,279,327
Compensated absences	104,872	-	(20,413)	84,459	49,457
Net pension liability	674,666	-	(194,346)	480,320	-
Postemployment Benefits	128,249	112,529	-	240,778	-
 Total business-type activities long-term liabilities	 <u>\$ 41,083,095</u>	 <u>\$ 112,529</u>	 <u>\$ (2,481,546)</u>	 <u>\$ 38,714,078</u>	 <u>\$ 2,328,784</u>

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**Overlapping Debt**

The Town pays assessments under formulas which include debt service payments to other governmental agencies providing services to the Town, (commonly referred to as overlapping debt). The following summary sets forth the long-term debt of such governmental agencies and the estimated share being financed by the Town as of June 30, 2022:

Agency	Total Long- Term Debt Outstanding	Town's Estimated Share	Town's Indirect Debt
Norfolk County	\$ 14,845,000	2.12%	\$ 314,714
Southeastern Regional Vocational Technical High School	<u>10,985,000</u>	<u>2.90%</u>	<u>318,565</u>
Total	<u>\$ 25,830,000</u>		<u>\$ 633,279</u>

**Conduit Debt**

On June 30, 2000, the Town issued \$69,810,000 in Foxborough Stadium Infrastructure Improvement Bonds. The Bonds are issued pursuant to Chapter 16 of the Acts of 1999 of the Commonwealth of Massachusetts and the Trust Indenture dated as of June 1, 2000. The bonds are payable solely from the trust assets, consisting of assigned rights to receive contract assistance payments from the Commonwealth of Massachusetts under the contract in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds, and other funds specifically pledged for the payment of the Bonds under the Trust Indenture. The Bonds are not a general obligation of the Town or the Commonwealth of Massachusetts. The contract assistance agreement is a general obligation of the Commonwealth of Massachusetts for which the full faith and credit of the Commonwealth of Massachusetts is pledged for the benefit of the Town. As of June 30, 2022, the total amount of conduit debt outstanding was \$14,340,000.

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 11 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

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

	GENERAL FUND	SCHOOL BUILDING MAJOR FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
<b>Fund Balances</b>				
<b>Nonspendable:</b>				
Permanent Fund Principal	\$ -	\$ -	\$ 174,565	\$ 174,565
<b>Restricted For:</b>				
General Government	-	-	1,835,386	1,835,386
Public Safety	-	-	3,646,031	3,646,031
Education	-	-	2,851,661	2,851,661
Public Works	-	-	608,302	608,302
Human Services	-	-	736,186	736,186
Culture & Recreation	-	-	920,301	920,301
Employee Benefits	-	-	704,677	704,677
Debt Service	373,174	-	-	373,174
Major - School Project	-	990,840	-	990,840
Expendable Trust Funds	-	-	239,235	239,235
	<u>373,174</u>	<u>990,840</u>	<u>11,541,779</u>	<u>12,905,793</u>
<b>Committed To:</b>				
<b>Continuing Appropriations</b>				
General Government	111,931	-	-	111,931
Public Safety	24,124	-	-	24,124
Education	328,600	-	-	328,600
Culture & Recreation	51,605	-	-	51,605
	<u>516,260</u>	<u>-</u>	<u>-</u>	<u>516,260</u>
<b>Assigned To:</b>				
<b>Encumbered For:</b>				
General Government	25,700	-	-	25,700
Education	1,314,825	-	-	1,314,825
Culture & Recreation	7,252	-	-	7,252
Subsequent Years Expenditures	1,960,000	-	-	1,960,000
Fire Stabilization Fund	100,000	-	-	100,000
Capital Stabilization Fund	288,786	-	-	288,786
	<u>3,696,563</u>	<u>-</u>	<u>-</u>	<u>3,696,563</u>
<b>Unassigned</b>				
General Fund	6,204,294	-	-	6,204,294
General Fund Stabilization	4,152,859	-	-	4,152,859
Nonmajor Governmental Funds	-	-	(802,907)	(802,907)
	<u>10,357,153</u>	<u>-</u>	<u>(802,907)</u>	<u>9,554,246</u>
<b>Total Governmental Fund Balances</b>	<u>\$ 14,943,150</u>	<u>\$ 990,840</u>	<u>\$ 10,913,437</u>	<u>\$ 26,847,427</u>

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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**NOTE 12 – STABILIZATION FUNDS**

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

- *The Stabilization Fund* is used to account for any appropriation, as approved by a 2/3 vote at the annual or special town meeting for additions or reductions to the fund. Any interest shall be added to and become part of the fund. The Stabilization fund balance is \$4,152,859 as of June 30, 2022. The fund was established under chapter 40, sub-section 5B of the Massachusetts General Law.
- *The Capital Improvements Stabilization Fund* is used to account for appropriations funding the acquisition, repair, replacement, extension, reconstruction, enlarging and/or additions to capital equipment, vehicles, and apparatus of the Town and pay notes, bonds, or certificates of indebtedness issued to pay for the cost of such acquisition, repair, replacement, extension, reconstruction, enlarging and additions. The Capital Improvements Stabilization fund balance is \$288,786 as of June 30, 2022. The Town may appropriate into and out of the fund at Annual or Special Town Meeting by 2/3 vote. This fund was established under Chapter 40 sub-section 5B of **MGL**.
- *The Fire Stabilization Fund* is used to account for the net revenue from the fire department vehicle repair activity, and to later fund the mechanic and supplies to further provide mechanic services to other municipal fire departments. The Fire Stabilization fund balance is \$100,000 as of June 30, 2022. The Town may appropriate into and out of the fund at Annual or Special Town Meeting by 2/3 vote. This fund was established under Chapter 40 sub-section 5B of **MGL**.

**NOTE 13 – RISK FINANCING**

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

Buildings are insured against fire, theft, to the extent that losses exceed \$5,000 per incident. Buildings are insured against flood and earthquake damage, to the extent that losses exceed \$25,000 per incident.

The Town's workers compensation program is based on class types and payroll. The Town's Workers Comp limits are \$1,000,000 higher than the State's Statutory Limits. The policy is limited to Massachusetts Statutory Benefits.

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

The Town has several contributory health care options. There are 817 employees and retirees who participate in the Town's health care programs. The Town contributes 50% of the costs for those active employees selecting the PPO plan. The Town contributes 70% of the costs for those active employees selecting HMO plans. The Town contributes 50 % of the costs for all retirees regardless of the plan type selected.



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**NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

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

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

**Funding Policy.** The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the period ending on the June 30, 2022 measurement date total Town premiums plus implicit costs for the retiree medical program are \$1,727,314, to be reported on the financial statements for the fiscal year ending June 30, 2022.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to begin pre-funding its other postemployment benefit (OPEB) liabilities. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2022, the balance of this fund totaled \$12,730,789.

***GASB Statement #75 – OPEB Employer Financial Reporting***

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

*Measurement Date - GASB #75* requires the net OPEB liability to be measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

*Plan Membership* – The following table represents the Plan’s membership as July 1, 2020:

Active Members	624
Inactive members or beneficiaries currently receiving benefits	390
Total	1014

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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*Components of OPEB Liability* – The following table represents the components of the Plan’s OPEB liability as of June 30, 2022:

Total OPEB Liability	\$ 44,715,760
Less: OPEB plan's fiduciary net position	<u>(12,730,789)</u>
Net OPEB Liability	<u>\$ 31,984,971</u>

The OPEB plan's fiduciary net position as a percentage of the total OPEB liability	28.47%
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**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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*Significant Actuarial Methods and Assumptions* – The plan’s total OPEB liability, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2022 to be in accordance with GASB Statement #75.

Valuation Date:	Actuarially Determined Contribution was calculated as of July 1, 2020.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	Market value of assets as of the measurement date, June 30, 2022
Investment Rate of Return	5.91%, net of OPEB plan investment expense, including inflation.
Municipal Bond Rate:	4.09% as of June 30, 2022 (source: S&P Municipal Bond 20 year high grade index - SAPIHG)
Single Equivalent Discount Rate:	5.91% net of OPEB plan investment expense, including inflation.
Inflation:	2.50% as of June 30, 2022 and for future periods
Salary Increases:	3.00% annually as of June 30, 2022 and for future periods
Cost of Living Adjustment	Not Applicable
Pre-Retirement Mortality:	<p>General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.</p>
Post-Retirement Mortality:	<p>General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.</p>
Disabled Mortality:	<p>General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females set forward 1 year.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.</p>

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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*Rate of Return* – For the year ended June 30, 2022 the annual money-weighted rate on investments, net of investments expense, was -16.17%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

The long-term real rate of return on OPEB investments is developed based on the Town’s investment policy. Best estimates of real rates of returns for each major asset class included in the OPEB plans target asset allocation as of June 30, 2022 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity - large cap	29.25%	4.42%
Domestic equity - small/mid cap	15.25%	4.81%
International equity - developed market	12.25%	4.91%
International equity - emerging market	8.25%	5.58%
Domestic fixed income	25.50%	1.00%
International fixed income	4.50%	1.04%
Alternatives	4.50%	5.98%
Real Estate	0.00%	6.25%
Cash	0.50%	0.00%
	<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total OPEB liability was 5.91% as of June 30, 2022, and 6.50% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town’s funding policy.

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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*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	\$ 39,666,529	\$ 13,962,123	\$ 25,704,406
Charges for the year:			
Service cost	1,146,808	-	1,146,808
Interest on Total OPEB Liability, Service Cost, and Benefit Payments	2,597,613	-	2,597,613
Change in assumptions	3,032,124	-	3,032,124
Difference between actual and expected experience	-	-	-
Net Investment Income	-	(2,295,403)	2,295,403
Employer Contributions to Trust	-	2,791,383	(2,791,383)
Benefit payments withdrawn from trust	-	(1,727,314)	1,727,314
Benefit payments excluding implicit costs	(1,191,532)	-	(1,191,532)
Implicit cost amount	(535,782)	-	(535,782)
Net Changes	<u>5,049,231</u>	<u>(1,231,334)</u>	<u>6,280,565</u>
Balance at June 30, 2022	<u>\$ 44,715,760</u>	<u>\$ 12,730,789</u>	<u>\$ 31,984,971</u>

*Sensitivity of the net OPEB liability to changes in the discount rate* – The following table presents the Plan’s net OPEB liability calculated using the discount rate of 5.91% as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage- point lower (4.91%) or 1 percentage-point higher (6.91%) than the current rate.

	1% Decrease (4.91%)	Current Discount Rate (5.91%)	1% Increase (6.91%)
Net OPEB liability	\$ 38,451,537	\$ 31,984,971	\$ 26,750,481

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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*Sensitivity of the net OPEB liability to changes in the healthcare trend* – The following table presents the net other postemployment benefit liability calculated using the current healthcare trend rate of 4.50% as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1% point lower or 1% point higher.

	1% Decrease (3.50%)	Current Trend (4.50%)	1% Increase (5.50%)
Net OPEB liability	\$ 26,098,384	\$ 31,984,971	\$ 39,337,083

*Postemployment Benefits Deferred Outflows/Inflows of Resources*

For the year ended June 30, 2022 the Town reported deferred outflows and inflows of resources related to postemployment benefits of \$9,533,332 and \$6,116,067 respectively.

The balances of deferred outflows and inflows at June 30, 2022 consist of the following:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Difference between actual and expected experience	\$ -	\$ (6,116,067)	\$ (6,116,067)
Changes of Assumptions	8,108,762	-	8,108,762
Net difference between projected and actual investment earnings	1,424,570	-	1,424,570
Total Deferred Outflows (Inflows) of Resources	\$ 9,533,332	\$ (6,116,067)	\$ 3,417,265

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

<u>Period Year ended June 30</u>	<u>Amount</u>
2023	\$ 608,456
2024	587,832
2025	535,612
2026	998,413
2027	386,466
Therafter	300,486
Total Deferred Outflows/(Inflows) Recognized in Future Years	\$ 3,417,265

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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*Changes of Assumption* – The discount rate was decreased from 6.50% to 5.91%

*Changes in Plan Provisions* - None

**NOTE 15 – PENSION PLANS**

**A. Plan Descriptions**

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

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

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

*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 \$5,581,665 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth’s collective net pension liability associated with the Town is \$69,557,070 as of the measurement date.

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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**B. Benefits Provided**

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

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

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

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, with at least ten years of creditable service, such employees are entitled to receive one hundred (100%) percent of the regular interest which has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of 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 in to the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the system and all costs are borne by the system.



**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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**C. Contributions**

*Norfolk County Contributory Retirement System*

Chapter 32 of MGL governs the contributions of plan members and member employees. Active regular plan members are required to contribute to the system at rates ranging from 5 to 9% of their gross regular compensation. Members joining the system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the system, a legislatively mandated actuarial determined contribution that is apportioned among the employers based on actuarial valuation results. The Town's proportionate share of the required contribution for the year ended December 31, 2021 which was \$5,473,537 and 25.53% of covered payroll, actuarially determined as an amount that when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

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

*Pension Liabilities*

At June 30, 2022 the Town reported a liability of \$23,545,113 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, updated procedures were used to roll back the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members actuarially determined, at December 31, 2021, the Town's proportion was 6.39% which had a minor decrease from its proportion measured as of December 31, 2020.

*Pension Expense and Deferred Outflows/Inflows of Resources*

For the year ended June 30, 2022 the Town recognized pension expense of \$2,025,426. At June 30, 2022 the Town reported deferred outflows and inflows of resources related to pensions of \$4,341,759 and \$10,681,095 respectively.

The balances of deferred outflows and inflows as June 30, 2022 consist of the following:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Difference between expected and actual experience	\$ 2,381,565	\$ -	\$ 2,381,565
Changes of Assumptions	-	-	-
Difference between projected and actual investment earnings	1,631,979	(10,343,724)	(8,711,745)
Changes in proportionate share of contributions	<u>328,215</u>	<u>(337,371)</u>	<u>(9,156)</u>
Total Deferred Outflows (Inflows) of Resources	<u>\$ 4,341,759</u>	<u>\$ (10,681,095)</u>	<u>\$ (6,339,336)</u>

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The Town's net deferred outflows/inflows of resources related to pensions will be recognized in future years are as follows:

<u>Year ended June 30</u>	<u>Amount</u>
2022	\$ (305,360)
2023	(2,664,574)
2024	(1,753,338)
2025	<u>(1,616,064)</u>
Totals	<u>\$ (6,339,336)</u>

**E. 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 date that was rolled back to December 31, 2021.

Valuation date	January 1, 2022
Actuarial cost method	Entry age normal cost method
Cost of Living Increase	3.0% of first \$18,000 of retirement income
Asset valuation method	market value
Inflation rate	3.0%
Projected Salary increases	3.5% - 5.5%
Mortality rates	The RP-2014 blue collar mortality table adjusted with scale MP-2014.
Investment rate of return	7.75%

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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**F. Long-Term Expected Rate of Return**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	30.5%	7.00%
International Equities	15.5%	7.70%
Fixed Income	20.5%	4.30%
Private Equity	10.0%	9.40%
Real Estate	9.5%	6.90%
Real Assets	2.5%	8.90%
Hedge Funds	11.5%	8.60%
Total	<u>100%</u>	

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

For the year ended December 31, 2021 the System's annual money-weighted rate of return on investments net of investment expense was 18.52%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**G. Discount Rate**

The discount rate used to measure the total pension liability as of December 31, 2021 was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Under Chapter 32 of the MGL, employers are required to make the necessary contributions such that the plan reaches full funding status by 2040. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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**H. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the system, as of December 31, 2021 calculated using the discount rate of 7.75%, as well as what the system’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Towns proportionate share of the net pension liability	\$ 39,186,353	\$ 23,545,113	\$ 16,743,159

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

**NOTE 16 – COMMITMENTS AND CONTINGENCIES**

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2022, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is believed the amount, if any, would not be material.

The Town’s landfill was closed in 1997 by order of the Department of Environmental Protection (DEP). The DEP approved the capping construction of the landfill site in 1998. The Town is responsible for post-closure monitoring of the site for thirty years (7 years remaining), and the estimated liability has been recorded in the Statement of Net Position, Governmental Activities. The \$259,000 reported as landfill post-closure liability at June 30, 2022 is based on what it would cost to perform all post-closure care costs at June 30, 2022. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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.

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
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**NOTE 17 – COVID-19**

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

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

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

**NOTE 18 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2022, the following GASB pronouncements were implemented:

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

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

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

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

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

**TOWN OF FOXBOROUGH, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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The GASB issued **Statements #98**, *The Annual Comprehensive Financial Report*

The requirements of this Statement was implemented for fiscal year ended June 30, 2022. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

*Future GASB Pronouncements:*

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

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

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

The GASB issued **Statement #100**, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which is required to be implemented in 2024. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #101**, *Compensated Absences*, which is required to be implemented in 2025. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM  
JUNE 30, 2022**

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Town's proportion of the net pension liability	6.39%	6.47%	6.47%	6.27%	6.27%	6.40%	6.40%	6.41%
Town's proportionate share of the net pension liability	\$ 23,545,113	\$ 33,071,869	\$ 37,970,971	\$ 40,837,396	\$ 34,658,995	\$ 33,407,360	\$ 34,763,508	\$ 33,268,513
Town's covered-employee payroll	\$ 21,440,333	\$ 21,035,253	\$ 20,323,916	\$ 19,705,066	\$ 19,038,711	\$ 17,949,748	\$ 17,018,788	\$ 15,653,875
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	109.82%	157.22%	186.83%	207.24%	182.04%	186.12%	204.27%	212.53%
Plan fiduciary net position as a percentage of the total pension liability	79.40%	70.20%	64.60%	58.30%	63.50%	61.60%	58.60%	60.10%

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

See notes to Required Supplementary Information

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
NORFOLK COUNTY CONTRIBUTORY RETIREMENT SYSTEM  
JUNE 30, 2022**

SCHEDULE OF TOWN'S CONTRIBUTION

	December 31 ,2021	December 31 ,2020	December 31 ,2019	December 31 ,2018	December 31 ,2017	December 31 ,2016	December 31 ,2015	December 31 ,2014
Actuarially determined contribution	\$ 5,473,537	\$ 5,185,943	\$ 4,844,077	\$ 4,388,893	\$ 4,011,736	\$ 3,655,092	\$ 3,318,800	\$ 3,028,356
Contribution in relation to the actuarially determined contribution	<u>(5,473,537)</u>	<u>(5,185,943)</u>	<u>(4,844,077)</u>	<u>(4,388,893)</u>	<u>(4,011,736)</u>	<u>(3,655,092)</u>	<u>(3,318,800)</u>	<u>(3,028,356)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 21,440,333	\$ 21,035,253	\$ 20,323,916	\$ 19,705,066	\$ 19,038,711	\$ 17,949,748	\$ 17,018,788	\$ 15,653,875
Contribution as a percentage of covered - employee payroll	25.53%	24.65%	23.83%	22.27%	21.07%	20.36%	19.50%	19.35%

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

See notes to Required Supplementary Information



**TOWN OF FOXBOROUGH, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
MASSACHUSETTS TEACHERS RETIREMENT SYSTEM  
JUNE 30, 2022**

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

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

<u>Fiscal Year</u>	<u>Commonwealth's 100% Share of the Net Pension Liability Associated with the Town</u>	<u>Town's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2022	\$ 69,557,070	\$ 5,581,665	62.03%
2021	88,454,653	10,925,417	50.67%
2020	79,662,615	9,660,475	53.95%
2019	75,607,106	7,661,685	54.84%
2018	73,065,144	7,626,019	54.25%
2017	72,111,005	7,355,795	52.73%
2016	67,233,573	5,453,241	55.38%
2015	51,262,819	3,561,474	61.64%

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

See notes to required supplementary information.

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS  
JUNE 30, 2022**

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>Total OPEB Liability</b>						
Service Cost	\$ 1,146,808	\$ 1,001,394	\$ 964,594	\$ 927,039	\$ 925,445	\$ 925,445
Interest on total OPEB liability, service cost, and benefit payments	2,597,613	2,705,392	2,586,327	2,485,069	2,361,074	2,236,485
Differences between expected and actual experience	-	(7,109,500)	(5,620)	(3,227,930)	-	-
Changes of assumptions	3,032,124	6,415,169	-	2,957,370	-	-
Benefit Payments Including Implicit Costs	(1,727,314)	(1,952,941)	(1,811,791)	(1,655,975)	(1,382,116)	(1,382,116)
Net Change in total OPEB liability	<u>5,049,231</u>	<u>1,059,514</u>	<u>1,733,510</u>	<u>1,485,573</u>	<u>1,904,403</u>	<u>1,779,814</u>
Total OPEB liability-beginning	<u>39,666,529</u>	<u>38,607,015</u>	<u>36,873,505</u>	<u>35,387,932</u>	<u>33,483,529</u>	<u>31,703,715</u>
Total OPEB liability-ending (a)	<u><u>44,715,760</u></u>	<u><u>39,666,529</u></u>	<u><u>38,607,015</u></u>	<u><u>36,873,505</u></u>	<u><u>35,387,932</u></u>	<u><u>33,483,529</u></u>
<b>Plan fiduciary net position</b>						
Contributions-employer	2,791,383	1,952,941	2,775,860	2,720,044	2,346,185	2,346,185
Net investment income	(2,295,403)	2,985,452	274,268	505,313	316,806	420,991
Benefit payments	(1,727,314)	(1,952,941)	(1,811,791)	(1,655,975)	(1,382,116)	(1,382,116)
Net change in plan fiduciary net position	<u>(1,231,334)</u>	<u>2,985,452</u>	<u>1,238,337</u>	<u>1,569,382</u>	<u>1,280,875</u>	<u>1,385,060</u>
Plan fiduciary net position - beginning	<u>13,962,123</u>	<u>10,976,671</u>	<u>9,738,334</u>	<u>8,168,952</u>	<u>6,888,077</u>	<u>5,503,017</u>
Plan fiduciary net position - ending (b)	<u><u>12,730,789</u></u>	<u><u>13,962,123</u></u>	<u><u>10,976,671</u></u>	<u><u>9,738,334</u></u>	<u><u>8,168,952</u></u>	<u><u>6,888,077</u></u>
<b>Town's net OPEB liability-ending (a)-(b)</b>	<u><u>\$ 31,984,971</u></u>	<u><u>\$ 25,704,406</u></u>	<u><u>\$ 27,630,344</u></u>	<u><u>\$ 27,135,171</u></u>	<u><u>\$ 27,218,980</u></u>	<u><u>\$ 26,595,452</u></u>
Plan fiduciary net position as a percentage of total OPEB liability	28.47%	35.20%	28.43%	26.41%	23.08%	20.57%
Covered-employee payroll	\$ 42,011,311	\$ 40,787,681	\$ 41,262,727	\$ 40,060,900	\$ 41,776,289	\$ 40,559,503
Plan's net OPEB liability as a percentage of covered-employee payroll	76.13%	63.02%	66.96%	67.73%	65.15%	65.57%

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

See notes to required supplementary information.

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS  
JUNE 30, 2022**

**Schedule of the Town's Contribution**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Actuarial determined contribution	\$ 2,698,181	\$ 2,335,839	\$ 3,045,557	\$ 2,970,708	\$ 2,928,465	\$ 3,032,780
Contributions in relation to the actuarially determined contribution	<u>(2,791,383)</u>	<u>(1,952,941)</u>	<u>(2,775,860)</u>	<u>(2,720,044)</u>	<u>(2,346,185)</u>	<u>(2,346,185)</u>
Contribution deficiency (excess)	<u>\$ (93,202)</u>	<u>\$ 382,898</u>	<u>\$ 269,697</u>	<u>\$ 250,664</u>	<u>\$ 582,280</u>	<u>\$ 686,595</u>
Covered-employee payroll	\$ 42,011,311	\$ 40,787,681	\$ 41,262,727	\$ 40,060,900	\$ 41,776,289	\$ 40,559,503
Contributions as a percentage of covered-employee payroll	6.64%	4.79%	6.73%	6.79%	5.62%	5.78%

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

See notes to required supplementary information.

**TOWN OF FOXBOROUGH, MASSACHUSETTS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 OTHER POSTEMPLOYMENT BENEFITS  
 JUNE 30, 2022**

**Schedule of Investment Return**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expense	-16.17%	27.20%	2.69%	5.84%	4.30%	7.01%

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

See notes to required supplementary information.

**TOWN OF FOXBOROUGH**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

**Pension Plan Schedules**

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

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

**B. Schedule of Town's Contribution**

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

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

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

**D. Changes in Plan Provisions – None**

**Other Postemployment Benefits Schedules**

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

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

**B. Schedule of the Town's Contribution**

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

**TOWN OF FOXBOROUGH**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

**C. Schedule of Investment Return**

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

**D. Changes in Provisions - None**