

Town of Sudbury, Massachusetts

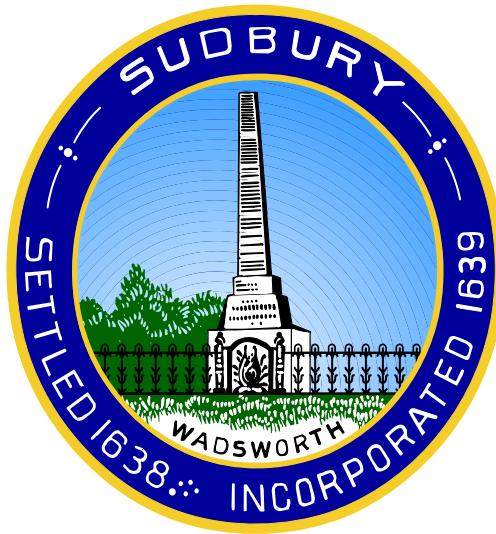
Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2025

TOWN OF SUDBURY, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Year Ended
June 30, 2025

Prepared by:

The Finance Division

TOWN OF SUDBURY, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2025

TABLE OF CONTENTS

Introductory Section.....	1
Letter of transmittal	3
Organizational chart	8
Principal town officials.....	10
Certificate of achievement.....	11
Distinguished budget presentation award.....	12
Financial Section.....	13
Independent auditors' report.....	15
Management's discussion and analysis	18
Basic financial statements	29
Statement of net position	31
Statement of activities.....	32
Governmental funds – balance sheet	34
Reconciliation of the governmental funds balance sheet total fund balances to the statement of net position	35
Governmental funds – statement of revenues, expenditures and changes in fund balances.....	36
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	37
Proprietary funds – statement of net position	38
Proprietary funds – statement of revenues, expenses and changes in net position.....	39
Proprietary funds – statement of cash flows	40
Fiduciary funds – statement of fiduciary net position	41
Fiduciary funds – statement of changes in fiduciary net position	42
Notes to basic financial statements	43
Required supplementary information	79
General fund budgetary comparison schedule.....	80
Schedule of revenues, expenditures and changes in fund balance – general fund – budget and actual.....	81
Community preservation fund budgetary comparison schedule.....	85

TOWN OF SUDBURY, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2025

TABLE OF CONTENTS (CONTINUED)

Schedule of revenues, expenditures and changes in fund balance – community preservation fund – budget and actual	86
Pension plan schedules	87
Schedule of the Town's proportionate share of the net pension liability	88
Schedule of the Town's contributions	89
Schedule of the special funding amounts of the net pension liability	90
Other postemployment benefit plan schedules	91
Schedule of changes in the Town's net OPEB liability and related ratios	92
Schedule of the Town's contributions	93
Schedule of investment returns.....	94
Notes to required supplementary information	95
Supplementary information	99
Combining statements.....	100
Nonmajor governmental funds	101
Nonmajor governmental funds – combining balance sheet	102
Nonmajor governmental funds – combining statement of revenues, expenditures, and changes in fund balances.....	103
Nonmajor enterprise funds.....	104
Nonmajor enterprise funds – combining statement of net position.....	105
Nonmajor enterprise funds – combining statement of revenues, expenses and changes in net position	106
Nonmajor enterprise funds – combining statement of cash flows	107
Statistical Section.....	109
Net position by component – last ten years	110
Changes in net position – last ten years.....	111
Fund balances, governmental funds – last ten years	113
Changes in fund balances, governmental funds – last ten years	114
Assessed value and actual value of taxable property by classification and tax rates – last ten years	115
Principal taxpayers – current year and nine years ago	116

TOWN OF SUDBURY, MASSACHUSETTS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2025

TABLE OF CONTENTS (CONTINUED)

Property tax levies and collections – last ten years	117
Ratios of outstanding debt by type – last ten years	118
Ratios of outstanding debt and general bonded debt – last ten years	119
Direct and overlapping governmental activities debt – as of June 30, 2025	120
Computation of legal debt margin – last ten years	121
Demographic and economic statistics – last ten years	122
Principal employers (excluding Town) – current year and nine years ago	123
Full-time equivalent Town employees – last ten years	124
Operating indicators by function/program – last ten years.....	125
Capital asset statistics by function/program – last ten years	126
Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	129

This page intentionally left blank.

Introductory Section



Historic Town-owned Carding Mill House. Located on Carding Mill Pond.

Introductory Section

This page intentionally left blank.



Town of Sudbury

Finance Director's Office

278 Old Sudbury Road
Sudbury, MA 01776

Letter of Transmittal

December 27, 2025

To the Honorable Select Board and Citizens of the Town of Sudbury:

I am pleased to transmit to you the Town of Sudbury's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This report has been prepared by Sudbury's Finance Division in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Government Accounting Standards Board (GASB).

This ACFR reflects management's representations regarding the Town's financial condition. Management assumes full responsibility for the accuracy, completeness and reliability of the information presented. To support these representations, the Town maintains a comprehensive internal control framework designed to safeguard assets and ensure the compilation of reliable financial information in accordance with GAAP. Because internal control systems must balance cost and benefit, this framework is designed to provide reasonable assurance rather than absolute assurance that the financial statements are free from material misstatement. To the best of our knowledge and belief, the financial information contained in this report is complete, accurate and reliable in all material respects.

The Town's financial statements have been audited by CBIZ CPAs P.C., a firm of licensed certified public accountants engaged by and reporting directly to the Select Board. CBIZ CPAs P.C. issued an unmodified ("clean") opinion on the Town's financial statements for the fiscal year ended June 30, 2025. This opinion appears as the first item in the Financial Section on pages 15 - 17.

The independent audit of the financial statements of the Town was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town's separately issued Reports on Internal Control Over Financial Reporting, Compliance and Federal Award Programs.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

History and Profile of the Town

The Town of Sudbury was settled in 1638 and incorporated as a Town in 1639. At that time, Sudbury boundaries included (by 1653) all what is now Wayland (which split off in 1780), and parts of Framingham, Marlborough, Stow and Maynard. Sudbury is a charming community, rooted deeply in New England's history; the Sudbury Center Historic District has changed little since 1800. The Town is located in Middlesex County along the major highways of Route 20 in the south and Route 117 in the north, and bisected by Route 27, and lies approximately twenty miles from Boston and twenty-six miles from Worcester. Sudbury is bordered by Wayland on the east; Framingham on the south; Hudson, Maynard, Marlborough, and Stow on the west; Concord on the northeast; and Acton on the north. Sudbury also borders Lincoln, with which it shares a regional high school. It is situated near the junctions of Route 128, the Mass Pike and Route 495, providing an excellent location for residents, businesses and commuters.

The Town has a current population of 18,909 and occupies a land area of 24.7 square miles. Sudbury is categorized by the Metropolitan Area Planning Council (MAPC) as an Established Suburb. These residential suburbs are characterized by single-family homes on moderately sized lots, with a relatively affluent population. Multi-unit housing and commercial developments are limited in their extent, although Sudbury does have some major employment and retail centers primarily located along the Town's Route 20 Corridor.

Sudbury is a desirable community to live and work in due to its location, excellent public school system, attractive neighborhoods, high property values, and well managed local government.

Organizational Structure

The Town is governed by an open Town Meeting, an elected Select Board, and an appointed Town Manager. Local legislative decisions for the town are made by an open town meeting. The Town implemented its current charter on July 1, 1996. This charter provided for appointment of a Town Manager by the Select Board. The Town Manager has broad responsibility for day-to-day management of Town affairs, as well as preparation of annual operating and capital budgets. For budgeting purposes, the Town services are divided into six program areas, and the Town Manager has authority to move funds as needed within a program area, but not to transfer funds between these areas.

The Town provides education in grades K-8 through the Sudbury Public Schools; the Lincoln-Sudbury Regional High School District (LSRHSD) provides education in grades 9 through 12. Through June 30, 2017, the Minuteman Regional Vocational Technical High School located in Lexington provided vocational technical education in grades 9 through 12. As of July 1, 2017, Sudbury withdrew from the Minutemen Regional District and the Assabet Valley Regional Technical High School in Marlborough was chosen to provide vocation technical education for new student enrollment. Each District's School Committee is elected and responsible for appointing the Superintendent of Schools, who has responsibility for the daily administration of the school system.

Reporting Entity

The basic financial statements along with the combining statements and schedules included in this report relate to the activities under the direction and control of the Town Manager, Select Board and School Committees, which include the activities of the Town's Community Preservation Fund and Affordable Housing Trust Fund. The Sudbury Housing Authority (local branch for Massachusetts Public Housing

Programs) and Sudbury Water District are excluded from this report because these activities fall outside the direction and control of the Town Manager and Select Board.

Financial Management, Policies and Initiatives

The Town Manager is responsible for the development of the Town's capital improvement plan, and annual capital and operating budgets. The School Committee is responsible for annually recommending capital and operating budgets for Sudbury's public school district. An appointed Finance Committee, consisting of nine members, makes recommendations to the Town Meeting on operating budgets and other Town Meeting articles that have a financial impact to the Town.

The Town is engaged in developing a multi-year framework for three critical areas of long-term financial planning:

- 1.) Establishing and maintaining reserves
- 2.) Addressing unfunded long-term liabilities, and
- 3.) Developing a funding strategy for the acquisition, replacement and enhancement of capital assets.

To support these efforts, the Select Board established the Strategic Financial Planning Committee for Capital Funding and the Strategic Financial Planning Committee for OPEB Liabilities.

The Strategic Financial Planning Committee for OPEB Liabilities was created to generate, evaluate and report on strategies and options, both short and long term, for dealing with the unfunded OPEB liabilities facing the Town of Sudbury (including the Sudbury Public Schools) and LSRHSD. The Town annually appropriates money to continue funding its OPEB liability. As of June 30, 2025, the balance in the fund was \$17.8 million. While further policy development is expected to continue in the near future, long-term planning, execution and coordination particularly amongst the towns of Lincoln, Sudbury and LSRHSD will reside on a permanent basis through the development and continued use of OPEB Trusts.

Local Economic Condition

Sudbury's economic base is steady, with approximately 6,650 individuals employed in 749 establishments and an annual payroll of roughly \$509 million. The majority of local businesses are small and service oriented, with retail, professional services, education and health care representing more than 60% of total employment. Unemployment remains below state and national levels, and median household effective buying income is among the highest in Massachusetts.

The Town's tax base remains strong, with residential properties comprising approximately 93% of total valuation. The ten largest taxpayers collectively represent just 4.75% of the total tax levy, reflecting a stable and diverse residential base.

Sudbury maintains the highest possible credit rating. On January 5, 2021, S&P Global Ratings assigned the Town its 'AAA' long-term rating, citing Sudbury's very strong economy, strong management, robust financial performance, ample budgetary flexibility, and low debt burden. S&P affirmed this rating with a stable outlook on January 17, 2024.

Accounting System and Budgetary Control

The management of the Town is responsible for establishing and maintaining adequate internal controls to:

- Properly safeguard assets.
- Provide reasonable assurance on the accuracy and reliability of the accounting records used in the preparation of the basic financial statements.
- Provide reasonable assurance relative to compliance with legal and contractual constraints on the custody and use of assets.

The Town adopts an annual appropriated budget for its general and community preservation funds, which are accounted for on a line-item basis. Legally binding appropriations are voted annually for the major categories of Personnel Services, Expenditures, Benefits and Insurances and Debt Service. Transfers within an expenditure category may be made with the approval of the Department Head and Town Accountant. Transfers between expenditure categories may be approved by the Town Manager. The School Committee maintains bottom-line authority for all legally binding appropriations made for Education expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds to maintain budgetary control.

An analysis of all legally adopted budgets is presented on pages 82 – 87 of this report.

Collective Bargaining Agreements

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 currently has approximately 650 full and part-time employees, of which approximately 80% belong to unions or other collective bargaining groups.

Awards and Acknowledgments

The Town received the GFOA Distinguished Budget Presentation Award for its budget report for the fiscal years ended June 30, 2025 and June 30, 2026. The award reflects the community's commitment to meeting the highest principles of governmental budgeting.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Sudbury for its ACFR for the fiscal year ended June 30, 2024. This was the thirteenth year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department. Special thanks also go to the certified public accounting firm of CBIZ CPAs for their advice and assistance in the preparation.

Respectfully,

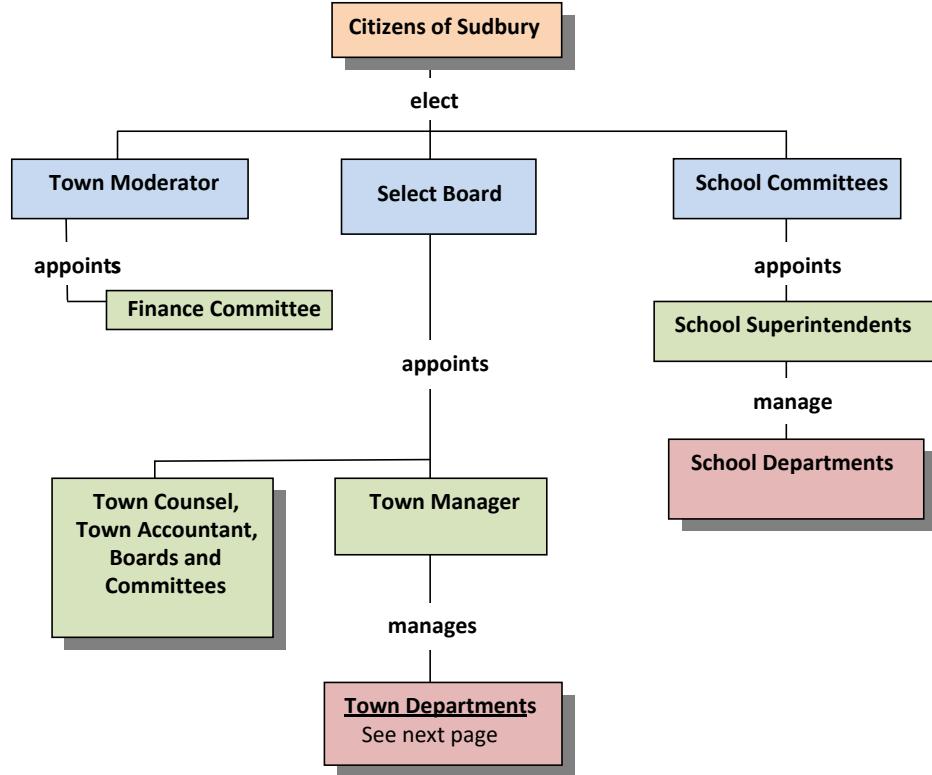
A handwritten signature in black ink, appearing to read "Victor Garofalo".

Victor Garofalo
Finance Director/Assistant Town Manager

Town of Sudbury, Massachusetts

Organizational Chart

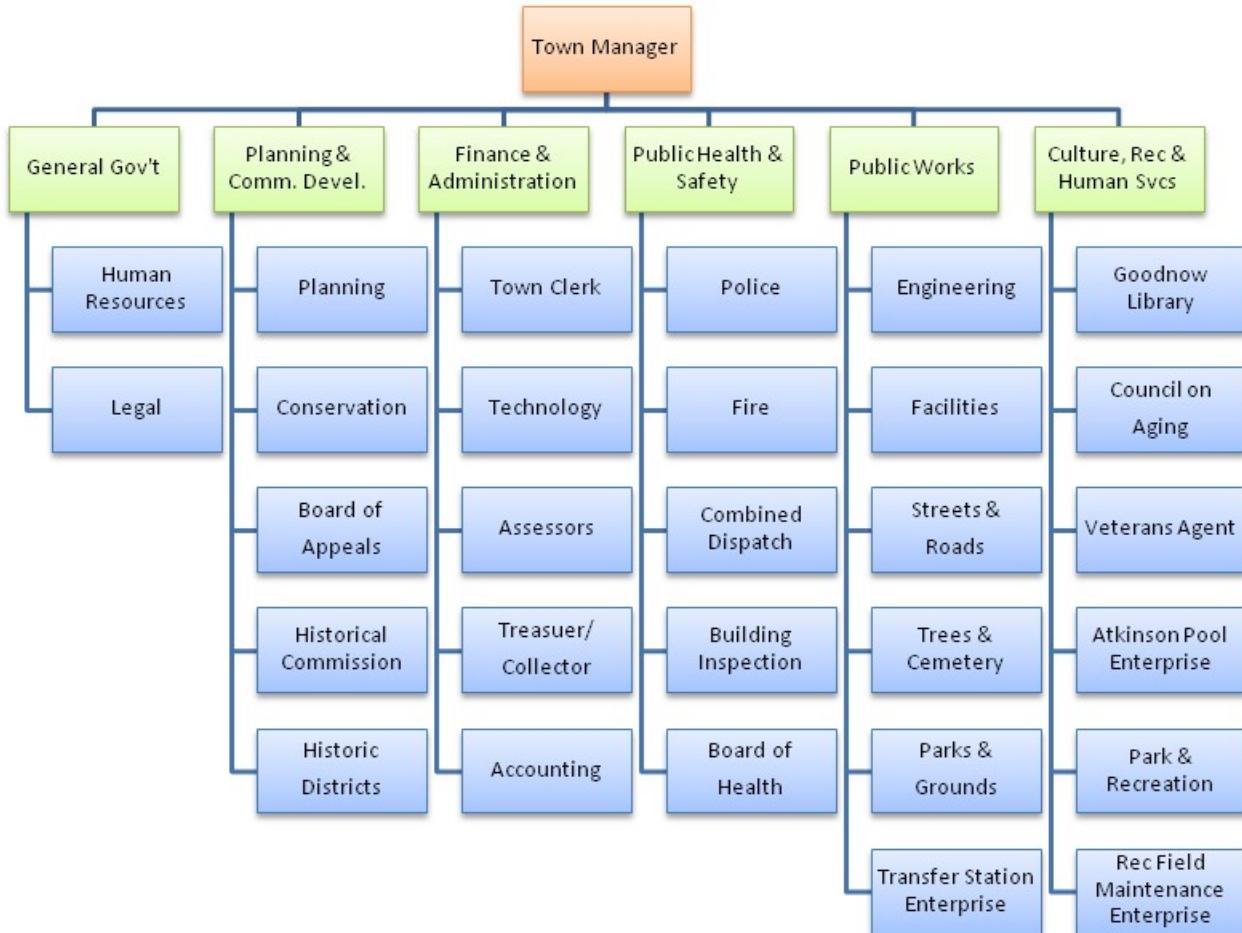
June 30, 2025



Town of Sudbury, Massachusetts

Organizational Chart

June 30, 2025



Town of Sudbury, Massachusetts

Principal Town Officials

As of June 30, 2025

Elected Officials

Select Board

Lisa V. Kouchakdjian, Chair
Janie W. Dretler, Vice Chair
Daniel E. Carty, Member
Radha R. Gargeya, Member
Charles G. Russo, Member

School Committee

Karyn Jones, Chair
Jessica McCready, Vice Chair
Nicole Burnard, Member
Elizabeth Sues, Member

Appointed Officials

Department

Department Head

Title

Town Manager	Andrew Sheehan	Town Manager
Human Resources	Stephanie Oliver	Human Resources Director
Finance	Victor Garofalo	Finance Dir./Asst. Town Manager
Treasurer/Collector	Kathy LaPorte	Treasurer/Collector
Accounting	Robin Porcella	Town Accountant
Assessors	Cynthia Gerry	Director of Assessing
Clerk	Beth Klein	Town Clerk
Conservation	Lori Capone	Conservation Coordinator
Planning & Community Development	Adam Burney	Director of Planning & Comm. Dev.
Information Systems	Mark Thompson	Technology Administrator
Police	Scott Nix	Police Chief
Fire	Timothy Choate	Fire Chief
Building Inspection	Andrew Lewis	Inspector of Buildings
School Department	Brad J. Crozier	Superintendent
Public Works	Tina Rivard	Public Works Director
Facilities	Sandra Duran	Combined Facilities Director
Health	Vivian Zeng	Health Director
Senior Center	Nickole Boardman	Council on Aging Director
Veterans Affairs	Michael Hennessy	Veteran's Agent
Park & Recreation	Dennis Mannone	Park, Recreation, and Aquatics Dir.
Library	Amy Stimac	Library Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Sudbury
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Monell

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Sudbury
Massachusetts**

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Monell

Executive Director

Financial Section



The Loring Parsonage. An 18th century building located in Sudbury Town Center.

Financial Section

This page intentionally left blank.



CBIZ CPAs P.C.

9 Executive Park Drive
Suite 100
Merrimack, NH 03054

P: 603.882.1111

Independent Auditors' Report

To the Honorable Select Board
Town of Sudbury, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sudbury, Massachusetts (the "Town"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Merrimack, NH
December 27, 2025

Management's Discussion and Analysis

Town of Sudbury, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

As management of the Town of Sudbury, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2025. We encourage readers to consider the information presented in this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

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

Financial Overview

- The assets and deferred outflows of resources of the Town of Sudbury exceeded the liabilities and deferred inflows of resources at the close of the most recent year by \$45.6 million (net position).
- The Town has reported a \$40.6 million Net Other Postemployment Benefits (OPEB) liability, as well as \$3.2 million of deferred outflows of resources and \$25.3 million of deferred inflows of resources related to OPEB on the statement of net position.
- The Town made a contribution to the OPEB trust fund in 2025 totaling \$656,000. The OPEB trust fund reported net position of \$17.8 million at year-end.
- The Town has reported a \$63.5 million Net Pension liability, as well as \$3.8 million of deferred outflows of resources and \$1.4 million of deferred inflows of resources related to pensions on the statement of net position.
- At the close of the current year, the Town's general fund reported a fund balance of \$30.4 million, an increase of \$4.7 million in comparison with the prior year. Total fund balance represents 23.3% of general fund expenditures.
- The American Rescue Plan Act (ARPA) and General Capital Projects funds, previously reported as major governmental funds, have been reclassified to nonmajor governmental funds in fiscal 2025. Additionally, the Swimming Pool, Transfer Station and Recreation Field Maintenance funds, previously reported as major enterprise funds, have been reclassified to the nonmajor enterprise funds in fiscal 2025. Please refer to Note 13 of the basic financial statements for further information regarding these changes within the reporting entity.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Sudbury's basic financial statements. These basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

Town of Sudbury, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

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

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, health and human services, culture and recreation, community preservation, and interest. The business-type activities include the Town's swimming pool, transfer station and recreation field maintenance operations.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the governmental-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 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Sudbury adopts an annual appropriated budget for its general and community preservation funds. Budget to actual schedules have been provided to demonstrate compliance with these budgets.

Town of Sudbury, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

Proprietary funds. The Town maintains one type of proprietary fund.

Proprietary funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its swimming pool, transfer station and recreation field maintenance operations, all of which are considered to be nonmajor funds.

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

The Town maintains two different fiduciary funds. The other postemployment benefits trust fund is used to accumulate funds for future payments of other postemployment benefits for retirees such as health and life insurance. The private purpose trust fund is used to account for resources held in trust, for which principal and investment income exclusively benefit individuals, private organizations, or other governments.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Sudbury's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45.6 million at the close of 2025, an increase of \$8.2 million from the prior year.

Net position includes \$110.5 million as the net investment in capital assets (e.g., land, buildings and building improvements, machinery and equipment and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$32.5 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a year-end deficit balance of \$97.4 million. The primary reason for this deficit balance is the recognition of the \$40.6 million net OPEB liability and the \$63.5 million net pension liability. These are long-term unfunded liabilities that will not require significant short-term resources.

At the end of the current year, the Town is able to report positive balances in two of the three categories of net position, for the Town as a whole and for its governmental activities. Its business-type activities report positive balances in each of the two categories. Details related to the Town's governmental and business-type activities follow.

Town of Sudbury, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

Governmental Activities. The Town of Sudbury's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for governmental activities by \$44.9 million at the close of 2025.

	<u>2025</u>	<u>2024</u>
Assets:		
Current assets.....	\$ 75,769,987	\$ 71,976,638
Capital assets, non depreciable.....	68,809,438	107,626,975
Capital assets, net of accumulated depreciation.....	<u>97,470,972</u>	<u>57,114,263</u>
Total assets.....	242,050,397	236,717,876
 Deferred outflows of resources.....	 6,924,387	 11,469,930
 Liabilities:		
Current liabilities (excluding debt).....	9,638,269	11,306,334
Noncurrent liabilities (excluding debt).....	110,790,130	102,743,649
Current debt.....	3,667,931	3,818,842
Noncurrent debt.....	<u>53,326,510</u>	<u>56,994,441</u>
Total liabilities.....	177,422,840	174,863,266
 Deferred inflows of resources.....	 26,625,318	 36,595,420
 Net position:		
Net investment in capital assets.....	109,843,738	106,706,327
Restricted.....	32,513,193	15,916,659
Unrestricted.....	<u>(97,430,305)</u>	<u>(85,893,866)</u>
 Total net position.....	 \$ 44,926,626	 \$ 36,729,120

Town of Sudbury, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

	2025	2024
Program Revenues:		
Charges for services.....	\$ 6,616,736	\$ 7,242,042
Operating grants and contributions.....	13,976,645	15,163,671
Capital grants and contributions.....	2,846,161	2,310,330
General Revenues:		
Real estate and personal property taxes,		
net of tax refunds payable.....	109,145,517	104,976,065
Tax and other liens.....	169,305	207,570
Motor vehicle and other excise taxes.....	5,354,593	4,843,734
Community preservation tax.....	2,661,339	2,557,909
Penalties and interest on taxes.....	321,784	387,737
Payments in lieu of taxes.....	12,069	12,116
Grants and contributions not restricted to		
specific programs.....	7,548,419	7,354,435
Unrestricted investment income.....	3,046,506	1,550,111
Total revenues.....	151,699,074	146,605,720
Expenses:		
General government.....	6,359,617	7,079,143
Public safety.....	14,840,429	15,028,771
Education.....	103,677,483	97,426,681
Public works.....	11,257,360	9,417,212
Health and human services.....	2,088,992	2,038,416
Culture and recreation.....	3,002,317	2,682,663
Community preservation.....	499,843	491,123
Interest.....	1,786,027	1,972,123
Total expenses.....	143,512,068	136,136,132
Excess (Deficiency) before transfers.....	8,187,006	10,469,588
Transfers.....	10,500	10,500
Change in net position.....	8,197,506	10,480,088
Net position, beginning of year.....	36,729,120	26,249,032
Net position, end of year.....	\$ 44,926,626	\$ 36,729,120

Overall, the governmental activities net position increased by \$8.2 million during the current year. Governmental activities were increased due to positive budgetary results in the general fund and community preservation fund, the recognition of capital grant revenue totaling \$2.8 million, and a combined decrease of \$4.2 million in the net OPEB liability, net pension liability, and related deferred outflows and inflows of resources. These increases to net position were offset by a decrease to net position resulting from the implementation of GASB Statement #101, Compensated Absences.

Town of Sudbury, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

The decrease in the pension and OPEB liabilities and related deferred inflows and outflows of resources has had the impact of increasing the unrestricted net position, while the receipt of grant funds has increased the restricted net position. The net investment in capital assets has increased through the payment of capital related debt and by acquiring capital assets with Town resources.

The governmental expenses totaled \$143.5 million of which \$23.4 million (16.3%) was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. General revenues totaled \$128.3 million, primarily coming from property taxes, grants and contributions not restricted to specific programs, and motor vehicle excise taxes.

Governmental activities recognized a \$1.2 million decrease in operating grants and contributions and a \$536,000 increase in capital grants and contributions compared to the prior year. The decrease in operating grants and contributions is primarily due to a decrease of \$1.3 million in on-behalf payments received from the Massachusetts Teachers' Retirement System. The increase in capital grants and contributions is the result of recognition of grant receipts in connection with the federal American Rescue Plan Act (ARPA) and state Chapter 90 highway improvement program.

Governmental activities expenses increased \$7.4 million from the prior year, of which \$6.3 million relates to education and \$1.8 million relates to public works. The increase in education expense is primarily due to a \$2.0 million increase in budgeted general fund operations and a \$6.5 million increase in the school department compensated absences liability resulting from the implementation of GASB Statement #101. These increases were offset by a \$1.3 million decrease in nonemployer contributions made to the Massachusetts Teachers' Retirement System on behalf of the Town by the Commonwealth of Massachusetts. The increase in public works expense is due to budgeted increases as well as an \$887,000 increase in depreciation expense resulting from the completion of the Fairbank Community Center; as a result of the asset being reclassified from a nondepreciable construction in progress asset to a depreciable building asset in fiscal 2025.

Business-type Activities. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for business-type activities by \$697,000 at the close of 2025.

Business-type net position of \$696,000 represents the net investment in capital assets and \$1,000 is unrestricted. The Town's business-type activities net position decreased by \$33,000 in the current year, which was primarily due to a combined increase of \$67,000 in the net pension and OPEB liabilities and related deferred outflows and inflows of resources, as well as a \$25,000 increase in the compensated absences liability.

These decreases to net position resulting from long-term accruals were offset by an increase from budgeted operations. Each enterprise fund is structured to recover the cost of operations through operating revenues and significant changes in operations are not anticipated. The results of operations remained consistent in fiscal year 2025 and the changes in long-term accruals had the largest impact on changes in net position.

Town of Sudbury, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>
Assets:		
Current assets.....	\$ 1,135,475	\$ 1,163,084
Capital assets, non depreciable.....	255,216	192,500
Capital assets, net of accumulated depreciation.....	<u>441,130</u>	<u>423,008</u>
Total assets.....	1,831,821	1,778,592
 Deferred outflows of resources.....	<u>63,114</u>	<u>91,136</u>
 Liabilities:		
Current liabilities (excluding debt).....	41,997	45,545
Noncurrent liabilities (excluding debt).....	<u>1,064,262</u>	<u>969,317</u>
Total liabilities.....	<u>1,106,259</u>	<u>1,014,862</u>
 Deferred inflows of resources.....	<u>91,746</u>	<u>124,893</u>
 Net position:		
Net investment in capital assets.....	696,346	615,508
Unrestricted.....	<u>584</u>	<u>114,465</u>
 Total net position.....	<u>\$ 696,930</u>	<u>\$ 729,973</u>
 Program Revenues:	<u>2025</u>	<u>2024</u>
Charges for services.....	\$ 1,055,330	\$ 944,061
 Expenses:		
Swimming pool.....	542,508	233,432
Transfer station.....	289,722	234,592
Recreation field maintenance.....	<u>245,643</u>	<u>209,139</u>
Total expenses.....	<u>1,077,873</u>	<u>677,163</u>
 Excess (Deficiency) before transfers.....	<u>(22,543)</u>	<u>266,898</u>
 Transfers.....	<u>(10,500)</u>	<u>(10,500)</u>
 Change in net position.....	<u>(33,043)</u>	<u>256,398</u>
 Net position, beginning of year.....	<u>729,973</u>	<u>473,575</u>
 Net position, end of year.....	<u>\$ 696,930</u>	<u>\$ 729,973</u>

Town of Sudbury, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

Financial Analysis of the Governmental Funds

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

Governmental funds. The focus of the Town of Sudbury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. As of the end of the current year, governmental funds reported combined ending fund balances of \$62.7 million, of which \$30.4 million is for the general fund, \$13.2 million is for the community preservation fund, and \$19.1 million is for nonmajor governmental funds. Cumulatively there was an increase of \$7.0 million in fund balances from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund totaled \$22.3 million while total fund balance was \$30.4 million. Of the fund balance, \$162,000 was restricted for employee benefits, \$6.1 million was committed for specific special purpose stabilization funds and Town articles, and \$1.8 million was assigned for encumbrances. Total fund balance represents 23.3% of general fund expenditures while unassigned fund balance represents 17.1% of general fund expenditures.

The general fund experienced an increase of \$4.7 million during 2025, which is primarily due to a \$4.3 million increase from budgetary operating results. General fund revenues increased by \$4.7 million over the prior year. Property tax revenue, which is the most significant revenue source for the Town's general fund, accounts for \$3.6 million of this increase. The increase is the result of a 4.2% increase to the tax levy, which was supported by the Proposition 2 ½ allowed levy increase plus an increase for new growth. General fund expenditures increased by \$5.7 million over the prior year as a result of departmental increases in accordance with the budget adopted by open Town Meeting. Education expenditures increased by \$2.0 million, primarily due to an \$826,000 increase in the annual assessment paid to the Lincoln Sudbury Regional High School District (LSRHSD). Public works expenditures increased by \$1.2 million, which primarily relates to increased spending from capital articles voted by open Town Meeting as well as increased snow and ice removal costs. Debt service expenditures increased by \$1.8 million as a result of the new long-term debt issued in fiscal 2024, for which the first principal and interest payments were due in fiscal 2025.

The community preservation fund is used to account for the acquisition, creation, preservation, or rehabilitation of areas of open space, historic preservation, community housing and recreation. Fund balance increased by \$1.3 million in 2025, which is due to expected timing differences between the receipt and expenditure of surcharge and state grant revenues. The Town collected \$2.7 million from property tax surcharges in 2025 while expenditures totaled \$1.7 million. Of the expenditures, \$970,000 related to various projects and \$751,000 related to debt service costs. Total expenditures decreased by \$238,000 compared to the prior year due to a decrease in debt obligations.

Town of Sudbury, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

The nonmajor governmental funds represent the activity of nonmajor special revenue funds, capital project funds and permanent trust funds. Fund balance increased by \$1.0 million in 2025, which is due to timing differences between the receipt and expenditure of state and federal grant funds, other contributions and donations, and police and fire details.

General Fund Budgetary Highlights

The Town adopts an annual appropriated budget for its general fund. The original 2025 approved budget for the general fund authorized \$124.6 million in appropriations and other amounts to be raised, as well as \$6.5 million of encumbrances and capital articles carried forward from the prior year. Additionally, Town Meeting authorized supplemental appropriations of \$146,000 during the year.

The Town experienced operating surpluses for both revenues and expenditures. Revenues were higher than anticipated by \$4.2 million, with the largest surpluses relating to investment income and motor vehicle excise taxes. Total expenditures came in under budget by \$1.6 million.

Capital Asset and Debt Administration

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

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$167.0 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, intangible assets, land improvements, buildings and improvements, machinery and equipment, vehicles, and infrastructure. The Town invested approximately \$7.4 million for capital asset additions in 2025 which primarily related to various Town-wide infrastructure projects, improvements to Town buildings, and the purchase of vehicles and equipment.

There were no major business-type capital asset events during the current year.

Debt Administration. Outstanding long-term governmental debt, as of June 30, 2025, totaled \$57.0 million, a decrease of \$3.8 million from the prior year. The decrease is due to budgeted principal payments and the amortization of bond premiums.

There were no increases to long-term debt during the current year.

Of the total outstanding long-term governmental debt, \$3.5 million is related to community preservation projects, \$850,000 is related to school projects, \$6.4 million is related to public safety projects, \$44.0 million is related to general government projects, and \$2.3 million is for unamortized bond premiums.

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

Town of Sudbury, Massachusetts

Management's Discussion and Analysis

Year Ended June 30, 2025

Requests for Information

This financial report is designed to provide a general overview of the Town of Sudbury'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, Flynn Building, 278 Old Sudbury Road, Sudbury, Massachusetts 01776.

Basic Financial Statements

This page intentionally left blank.

Town of Sudbury, Massachusetts

Statement of Net Position

June 30, 2025

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 45,278,628	\$ 1,135,475	\$ 46,414,103
Investments.....	24,956,231	-	24,956,231
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,042,599	-	1,042,599
Tax liens.....	2,869,674	-	2,869,674
Community preservation.....	20,164	-	20,164
Motor vehicle and other excise taxes.....	471,806	-	471,806
Departmental and other.....	834,775	-	834,775
Intergovernmental.....	9,102	-	9,102
Tax foreclosures.....	287,008	-	287,008
Total current assets.....	75,769,987	1,135,475	76,905,462
NONCURRENT:			
Capital assets, nondepreciable.....	68,809,438	255,216	69,064,654
Capital assets, net of accumulated depreciation.....	97,470,972	441,130	97,912,102
Total noncurrent assets.....	166,280,410	696,346	166,976,756
TOTAL ASSETS.....	242,050,397	1,831,821	243,882,218
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	3,724,821	54,064	3,778,885
Deferred outflows related to OPEB.....	3,199,566	9,050	3,208,616
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	6,924,387	63,114	6,987,501
LIABILITIES			
CURRENT:			
Warrants payable.....	1,030,040	27,285	1,057,325
Accrued payroll.....	4,273,657	10,079	4,283,736
Tax refunds payable.....	282,250	-	282,250
Accrued interest.....	836,204	-	836,204
Other liabilities.....	1,522,791	-	1,522,791
Unearned revenue.....	835,732	-	835,732
Compensated absences.....	857,595	4,633	862,228
Bonds payable.....	3,667,931	-	3,667,931
Total current liabilities.....	13,306,200	41,997	13,348,197
NONCURRENT:			
Compensated absences.....	7,718,355	41,696	7,760,051
Net pension liability.....	62,555,088	907,955	63,463,043
Net OPEB liability.....	40,516,687	114,611	40,631,298
Bonds payable.....	53,326,510	-	53,326,510
Total noncurrent liabilities.....	164,116,640	1,064,262	165,180,902
TOTAL LIABILITIES.....	177,422,840	1,106,259	178,529,099
DEFERRED INFLOWS OF RESOURCES			
Taxes paid in advance.....	30,046	-	30,046
Deferred inflows related to pensions.....	1,413,299	20,513	1,433,812
Deferred inflows related to OPEB.....	25,181,973	71,233	25,253,206
TOTAL DEFERRED INFLOWS OF RESOURCES.....	26,625,318	91,746	26,717,064
NET POSITION			
Net investment in capital assets.....	109,843,738	696,346	110,540,084
Restricted for:			
Employee benefits.....	161,649	-	161,649
Permanent funds:			
Expendable.....	750,428	-	750,428
Nonexpendable.....	1,294,892	-	1,294,892
Gifts, grants and other purposes.....	17,101,305	-	17,101,305
Community preservation.....	13,204,919	-	13,204,919
Unrestricted.....	(97,430,305)	584	(97,429,721)
TOTAL NET POSITION.....	\$ 44,926,626	\$ 696,930	\$ 45,623,556

See notes to basic financial statements.

Town of Sudbury, Massachusetts

Statement of Activities

Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Program Revenues</u>				
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 6,359,617	\$ 1,415,042	\$ 879,914	\$ 49,038	\$ (4,015,623)
Public safety.....	14,840,429	2,158,446	241,486	16,350	(12,424,147)
Education.....	103,677,483	1,562,602	12,106,867	100,000	(89,908,014)
Public works.....	11,257,360	555,041	51,461	2,030,892	(8,619,966)
Health and human services.....	2,088,992	169,277	583,398	-	(1,336,317)
Culture and recreation.....	3,002,317	722,719	113,519	135,533	(2,030,546)
Community preservation.....	499,843	33,609	-	514,348	48,114
Interest.....	1,786,027	-	-	-	(1,786,027)
Total Governmental Activities.....	<u>143,512,068</u>	<u>6,616,736</u>	<u>13,976,645</u>	<u>2,846,161</u>	<u>(120,072,526)</u>
<i>Business-Type Activities:</i>					
Nonmajor enterprise funds.....	1,077,873	1,055,330	-	-	(22,543)
Total Primary Government.....	<u>\$ 144,589,941</u>	<u>\$ 7,672,066</u>	<u>\$ 13,976,645</u>	<u>\$ 2,846,161</u>	<u>\$ (120,095,069)</u>

(Continued)

Town of Sudbury, Massachusetts

Statement of Activities

Year Ended June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (120,072,526)	\$ (22,543)	\$ (120,095,069)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	109,145,517	-	109,145,517
Tax and other liens.....	169,305	-	169,305
Motor vehicle and other excise taxes.....	5,354,593	-	5,354,593
Community preservation tax.....	2,661,339	-	2,661,339
Penalties and interest on taxes.....	321,784	-	321,784
Payments in lieu of taxes.....	12,069	-	12,069
Grants and contributions not restricted to specific programs.....	7,548,419	-	7,548,419
Unrestricted investment income.....	3,046,506	-	3,046,506
<i>Transfers, net</i>	<u>10,500</u>	<u>(10,500)</u>	<u>-</u>
Total general revenues and transfers.....	<u>128,270,032</u>	<u>(10,500)</u>	<u>128,259,532</u>
Change in net position.....	8,197,506	(33,043)	8,164,463
<i>Net position:</i>			
Beginning of year.....	<u>36,729,120</u>	<u>729,973</u>	<u>37,459,093</u>
End of year.....	<u>\$ 44,926,626</u>	<u>\$ 696,930</u>	<u>\$ 45,623,556</u>

(Concluded)

Town of Sudbury, Massachusetts

**Governmental Funds
Balance Sheet**

June 30, 2025

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 22,144,646	\$ 4,475,955	\$ 18,658,027	\$ 45,278,628
Investments.....	14,119,181	8,723,577	2,113,473	24,956,231
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	1,042,599	-	-	1,042,599
Tax liens.....	2,869,674	-	-	2,869,674
Community preservation.....	-	20,164	-	20,164
Motor vehicle and other excise taxes.....	471,806	-	-	471,806
Departmental and other.....	-	-	834,775	834,775
Intergovernmental.....	-	-	9,102	9,102
Tax foreclosures.....	287,008	-	-	287,008
TOTAL ASSETS.....	\$ 40,934,914	\$ 13,219,696	\$ 21,615,377	\$ 75,769,987
LIABILITIES				
Warrants payable.....	\$ 593,762	\$ 14,777	\$ 421,501	\$ 1,030,040
Accrued payroll.....	4,236,510	-	37,147	4,273,657
Tax refunds payable.....	282,250	-	-	282,250
Other liabilities.....	1,183,194	-	339,597	1,522,791
Unearned revenue.....	-	-	835,732	835,732
TOTAL LIABILITIES.....	6,295,716	14,777	1,633,977	7,944,470
DEFERRED INFLOWS OF RESOURCES				
Taxes paid in advance.....	30,046	-	-	30,046
Unavailable revenue.....	4,249,929	20,164	834,775	5,104,868
TOTAL DEFERRED INFLOWS OF RESOURCES.....	4,279,975	20,164	834,775	5,134,914
FUND BALANCES				
Nonspendable.....	-	-	1,294,892	1,294,892
Restricted.....	161,649	13,184,755	17,851,733	31,198,137
Committed.....	6,099,988	-	-	6,099,988
Assigned.....	1,840,800	-	-	1,840,800
Unassigned.....	22,256,786	-	-	22,256,786
TOTAL FUND BALANCES.....	30,359,223	13,184,755	19,146,625	62,690,603
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 40,934,914	\$ 13,219,696	\$ 21,615,377	\$ 75,769,987

See notes to basic financial statements.

Town of Sudbury, Massachusetts

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

June 30, 2025

Total governmental fund balances.....	\$ 62,690,603
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	166,280,410
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	5,104,868
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....	(19,670,885)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(836,204)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(56,994,441)
Net pension liability.....	(62,555,088)
Net OPEB liability.....	(40,516,687)
Compensated absences.....	<u>(8,575,950)</u>
Net effect of reporting long-term liabilities.....	<u>(168,642,166)</u>
Net position of governmental activities.....	<u>\$ 44,926,626</u>

See notes to basic financial statements.

Town of Sudbury, Massachusetts

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

Year Ended June 30, 2025

	General	Community Preservation	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes,					
net of tax refunds.....	\$ 109,160,068	\$ -	\$ -	\$ -	\$ 109,160,068
Tax liens.....	169,305	-	-	-	169,305
Motor vehicle and other excise taxes.....	5,356,507	-	-	-	5,356,507
Penalties and interest on taxes.....	317,414	4,370	-	-	321,784
Payments in lieu of taxes.....	12,069	-	-	-	12,069
Licenses and permits.....	1,199,878	-	-	-	1,199,878
Fines and forfeitures.....	18,008	-	-	-	18,008
Intergovernmental - teachers retirement.....	7,003,511	-	-	-	7,003,511
Intergovernmental.....	7,724,346	514,348	-	8,896,595	17,135,289
Departmental and other.....	833,056	-	-	5,167,013	6,000,069
Community preservation taxes.....	-	2,666,183	-	-	2,666,183
Contributions and donations.....	-	-	-	189,098	189,098
Investment income.....	2,342,331	469,595	-	234,580	3,046,506
 TOTAL REVENUES.....	 134,136,493	 3,654,496	 -	 14,487,286	 152,278,275
EXPENDITURES:					
Current:					
General government.....	3,973,398	-	-	1,293,940	5,267,338
Public safety.....	10,269,896	-	-	760,691	11,030,587
Education.....	76,087,472	-	-	5,267,576	81,355,048
Public works.....	8,665,438	-	-	4,076,814	12,742,252
Health and human services.....	996,436	-	-	790,722	1,787,158
Culture and recreation.....	1,659,213	-	-	776,699	2,435,912
Community preservation.....	-	970,219	-	108,322	1,078,541
Pension benefits.....	6,822,660	-	-	-	6,822,660
Pension benefits - teachers retirement.....	7,003,511	-	-	-	7,003,511
Property and liability insurance.....	535,798	-	-	-	535,798
Employee benefits.....	9,352,538	-	-	-	9,352,538
State and county charges.....	262,046	-	-	-	262,046
Debt service:					
Principal.....	2,942,845	650,000	-	-	3,592,845
Interest.....	1,954,620	100,904	-	-	2,055,524
 TOTAL EXPENDITURES.....	 130,525,871	 1,721,123	 -	 13,074,764	 145,321,758
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....					
	3,610,622	1,933,373	-	1,412,522	6,956,517
OTHER FINANCING SOURCES (USES):					
Transfers in.....	1,057,709	-	-	672,000	1,729,709
Transfers out.....	-	(672,000)	-	(1,047,209)	(1,719,209)
 TOTAL OTHER FINANCING SOURCES (USES).....	 1,057,709	 (672,000)	 -	 (375,209)	 10,500
NET CHANGE IN FUND BALANCES.....	4,668,331	1,261,373	-	1,037,313	6,967,017
FUND BALANCES AT 6/30/24, AS PREVIOUSLY REPORTED.....	25,690,892	11,923,382	2,778,372	15,330,940	55,723,586
ADJUSTMENT - CHANGE FROM MAJOR TO NONMAJOR FUND.....	-	-	(2,778,372)	2,778,372	-
FUND BALANCES AT 6/30/24, AS ADJUSTED.....	25,690,892	11,923,382	-	18,109,312	55,723,586
FUND BALANCES AT END OF YEAR.....	\$ 30,359,223	\$ 13,184,755	\$ -	\$ 19,146,625	\$ 62,690,603

See notes to basic financial statements.

Town of Sudbury, Massachusetts

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

Year Ended June 30, 2025

Net change in fund balances - total governmental funds.....	\$ 6,967,017
 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.....	7,236,163
Depreciation expense.....	<u>(5,696,991)</u>
 Net effect of reporting capital assets.....	
	1,539,172
 Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....	
	(579,201)
 The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.	
Net amortization of premium from issuance of bonds.....	225,997
Debt service principal payments.....	<u>3,592,845</u>
 Net effect of reporting long-term debt.....	
	3,818,842
 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.....	(7,828,942)
Net change in accrued interest on long-term debt.....	43,500
Net change in deferred outflow/(inflow) of resources related to pensions.....	(1,400,022)
Net change in net pension liability.....	2,296,909
Net change in deferred outflow/(inflow) of resources related to net OPEB liability.....	6,637,573
Net change in net OPEB liability.....	<u>(3,297,342)</u>
 Net effect of recording long-term liabilities.....	
	<u>(3,548,324)</u>
Change in net position of governmental activities.....	<u>\$ 8,197,506</u>

See notes to basic financial statements.

Town of Sudbury, Massachusetts

Proprietary Funds
Statement of Net Position

June 30, 2025

	Business-type Activities - Nonmajor Enterprise Funds
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 1,135,475
NONCURRENT:	
Capital assets, non depreciable.....	255,216
Capital assets, net of accumulated depreciation.....	<u>441,130</u>
Total noncurrent assets.....	<u>696,346</u>
TOTAL ASSETS.....	<u>1,831,821</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions.....	54,064
Deferred outflows related to OPEB.....	<u>9,050</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>63,114</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	27,285
Accrued payroll.....	10,079
Compensated absences.....	<u>4,633</u>
Total current liabilities.....	<u>41,997</u>
NONCURRENT:	
Compensated absences.....	41,696
Net pension liability.....	907,955
Net OPEB liability.....	<u>114,611</u>
Total noncurrent liabilities.....	<u>1,064,262</u>
TOTAL LIABILITIES.....	<u>1,106,259</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions.....	20,513
Deferred inflows related to OPEB.....	<u>71,233</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>91,746</u>
NET POSITION	
Net investment in capital assets.....	696,346
Unrestricted.....	<u>584</u>
TOTAL NET POSITION.....	<u>\$ 696,930</u>

See notes to basic financial statements.

Town of Sudbury, Massachusetts

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds				
	Swimming Pool	Transfer Station	Recreation Field Maintenance	Nonmajor Enterprise Funds	Total Enterprise Funds
<u>OPERATING REVENUES:</u>					
Charges for services.....	\$ _____ -	\$ _____ -	\$ _____ -	\$ 1,055,330	\$ 1,055,330
<u>OPERATING EXPENSES:</u>					
Cost of services and administration.....	- _____	- _____	- _____	1,040,216	1,040,216
Depreciation.....	_____ -	_____ -	_____ -	37,657	37,657
TOTAL OPERATING EXPENSES.....	_____ -	_____ -	_____ -	1,077,873	1,077,873
OPERATING INCOME (LOSS).....	_____ -	_____ -	_____ -	(22,543)	(22,543)
<u>TRANSFERS:</u>					
Transfers out.....	_____ -	_____ -	_____ -	(10,500)	(10,500)
CHANGE IN NET POSITION.....	- _____	- _____	- _____	(33,043)	(33,043)
NET POSITION AT 6/30/24, AS PREVIOUSLY REPORTED.....	591,138	294,583	(155,748)	- _____	729,973
ADJUSTMENT - CHANGE FROM MAJOR TO NONMAJOR FUND.....	(591,138)	(294,583)	155,748	729,973	- _____
NET POSITION AT 6/30/24, AS ADJUSTED.....	_____ -	_____ -	_____ -	729,973	729,973
NET POSITION AT END OF YEAR.....	\$ _____ -	\$ _____ -	\$ _____ -	\$ 696,930	\$ 696,930

See notes to basic financial statements.

Town of Sudbury, Massachusetts

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds				
	Swimming Pool	Transfer Station	Recreation Field Maintenance	Nonmajor Enterprise Funds	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users.....	\$ -	\$ -	\$ -	\$ 1,063,780	\$ 1,063,780
Payments to vendors.....	- -	- -	- -	(352,728)	(352,728)
Payments to employees.....	- -	- -	- -	(601,216)	(601,216)
NET CASH FROM OPERATING ACTIVITIES.....	- -	- -	- -	109,836	109,836
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out.....	- -	- -	- -	(10,500)	(10,500)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets.....	- -	- -	- -	(118,495)	(118,495)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	- -	- -	- -	(19,159)	(19,159)
CASH AND CASH EQUIVALENTS AT 6/30/24, AS PREVIOUSLY REPORTED.....	665,130	377,967	111,537	- -	1,154,634
ADJUSTMENT - CHANGE FROM MAJOR TO NONMAJOR FUND.....	(665,130)	(377,967)	(111,537)	1,154,634	- -
CASH AND CASH EQUIVALENTS AT 6/30/24, AS ADJUSTED.....	- -	- -	- -	1,154,634	1,154,634
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ - -	\$ - -	\$ - -	\$ 1,135,475	\$ 1,135,475
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Operating income (loss).....	\$ - -	\$ - -	\$ - -	\$ (22,543)	\$ (22,543)
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation.....	- -	- -	- -	37,657	37,657
Deferred (outflows)/inflows related to pensions.....	- -	- -	- -	14,737	14,737
Deferred (outflows)/inflows related to OPEB.....	- -	- -	- -	(19,862)	(19,862)
Changes in assets and liabilities:					
Departmental and other.....	- -	- -	- -	8,450	8,450
Warrants payable.....	- -	- -	- -	(10,152)	(10,152)
Accrued payroll.....	- -	- -	- -	4,070	4,070
Compensated absences.....	- -	- -	- -	25,342	25,342
Net pension liability.....	- -	- -	- -	64,223	64,223
Net OPEB liability.....	- -	- -	- -	7,914	7,914
Total adjustments.....	- -	- -	- -	132,379	132,379
NET CASH FROM OPERATING ACTIVITIES.....	\$ - -	\$ - -	\$ - -	\$ 109,836	\$ 109,836

See notes to basic financial statements.

Town of Sudbury, Massachusetts

Fiduciary funds
Statement of Fiduciary Net Position

June 30, 2025

	OPEB Trust Fund	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ 782,205	\$ 8,292
Investments:		
U.S. treasuries.....	5,207,369	53,489
Equity securities.....	11,215,852	-
International equity securities.....	553,527	-
Equity mutual funds.....	-	158,019
Fixed income mutual funds.....	-	48,734
 TOTAL ASSETS.....	 17,758,953	 268,534
 NET POSITION		
Restricted for OPEB benefits.....	17,758,953	-
Restricted for other individuals, organizations or governements.....	-	268,534
 TOTAL NET POSITION.....	 \$ 17,758,953	 \$ 268,534

See notes to basic financial statements.

Town of Sudbury, Massachusetts

Fiduciary funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	OPEB Trust Fund	Private Purpose Trust Fund
<u>ADDITIONS:</u>		
Contributions:		
Employer contributions.....	\$ 656,257	\$ -
Employer contributions for other postemployment benefit payments.....	<u>2,112,576</u>	-
Total contributions.....	<u>2,768,833</u>	-
Net investment income:		
Investment income.....	1,286,187	28,507
Less: investment expense.....	<u>(51,490)</u>	-
Net investment income.....	<u>1,234,697</u>	28,507
TOTAL ADDITIONS.....	<u>4,003,530</u>	28,507
<u>DEDUCTIONS:</u>		
Benefit payments.....	<u>2,112,576</u>	-
NET INCREASE (DECREASE) IN NET POSITION.....	1,890,954	28,507
NET POSITION AT BEGINNING OF YEAR.....	<u>15,867,999</u>	240,027
NET POSITION AT END OF YEAR.....	<u>\$ 17,758,953</u>	<u>\$ 268,534</u>

See notes to basic financial statements.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town is a municipal corporation that is governed by an elected Select Board (Board). For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. It has been determined that there are no component units that meet the requirements for inclusion in the Town's financial statements.

Joint Venture

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

The Town participates in the following joint venture to pool resources and share the costs, risks, and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients.

Lincoln Sudbury Regional High School District (LSRHSD)

The Lincoln Sudbury Regional High School District (LSRHSD) is governed by a six-member school committee consisting of three elected representatives from the Town. The Town is indirectly liable for the LSRHSD's debt and other expenditures and is assessed annually for its share of operating and capital costs. The Town does not have an equity interest in the LSRHSD. For the year ended June 30, 2025, the Town's assessment totaled \$29,363,324, which is reported as an education expenditure/expense. Separate financial statements may be obtained by writing to the Finance Director of the LSRHSD at 390 Lincoln Road, Sudbury, MA 01776.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *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

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

- If the total assets, deferred outflows of resources, liabilities, 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, deferred outflows of resources, liabilities, deferred inflows of resources, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, deferred outflows of resources, liabilities, 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 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 Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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

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

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

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

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues are recorded as receivables once eligibility requirements are met and are recognized as revenue when the amounts are considered available.

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

The following major governmental funds are reported:

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

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

The *community preservation fund* is a special revenue fund used to account for the 3% local real estate tax surcharge on nonexempt property (and matching state trust fund distribution) that can be used for open space, historic resource and affordable housing purposes. Property exempt from the surcharge consists of the first \$100,000 of all residential property and also property owned by low-income seniors with a low or moderate income as defined by Massachusetts Department of Revenue (DOR) guidelines. Disbursements from this fund must originate from the Community Preservation Committee and be approved by Town Meeting.

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

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

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

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

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

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

The Town does report any major proprietary funds. The activities of the swimming pool enterprise fund, transfer station enterprise fund and recreation field maintenance enterprise fund are aggregated and presented in the *nonmajor enterprise funds* column on the proprietary funds 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 in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *OPEB trust fund* is used to account for the activities of the Other Postemployment Benefit trust fund, which accumulates resources to provide other postemployment benefits to eligible retirees and their beneficiaries.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allow the trustees to authorize spending of the realized investment earnings. The Town's private purpose trust fund includes activities for scholarships, gifts to the financially needy and youth of Sudbury, cemetery improvements and maintenance of the walking trail at Haskell Field.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

E. Fair Value Measurements

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

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

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, 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 and U.S. government obligations, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

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

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

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 - Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date.

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

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

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

Motor Vehicle Excise

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

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

Community Preservation Surcharges

Community preservation surcharges are levied annually at a rate of 3% of resident's real estate tax bills with exemptions for the first \$100,000 of residential property and property owned by qualified persons

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

with low income and seniors (60+) with low or moderate income defined by DOR guidelines. The surcharge is due with the real estate tax on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Overdue surcharges are included on the tax liens processed on delinquent real estate taxes. Surcharges are recorded as receivables in the year of the levy.

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

Departmental and Other

Departmental and other receivables consist primarily of amounts due from ambulance charges and police details. These receivables are recorded when the applicable service has been performed.

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 recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

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

G. Inventories

Government-Wide and Fund Financial Statements

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

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, intangible assets, buildings and improvements, machinery and equipment, vehicles, infrastructure (e.g., roads, treatment plants, pump stations, sewer mains and similar items) and construction-in-progress, are reported in the applicable governmental or business-type activity column of the government-wide financial statements and in 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; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Intangible assets consist of various conservation easements.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	30
Buildings and improvements..	10 - 40
Machinery and equipment.....	5 - 20
Vehicles.....	4 - 20
Infrastructure.....	20

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Governmental Fund Financial Statements

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

J. Interfund Receivables and Payables

During the course of 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.”

Governmental Fund Financial Statements

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

K. Interfund Transfers

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

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

L. Net Position and Fund Balance

Government-Wide Financial Statements (Net Position)

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

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

Net position has been “restricted for” the following:

“Employee benefits” represents amounts previously accumulated for self-insurance activities.

“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.

“Gifts, grants and other purposes” represents amounts restricted for federal and state grant funds and gifts for specific purposes.

“Community preservation” represents amounts restricted for affordable housing, open space and historic purposes.

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

Governmental Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision-making authority for the government that can, by adoption of an article prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the article remains in place until a similar action is taken to remove or revise the limitation.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. The Finance Director is authorized to assign fund balance. Town Meeting may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance.

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

M. Long-term Debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

N. Postemployment Benefits

The Town provides pension benefits in accordance with the Middlesex County Retirement System and the Massachusetts Teachers' Retirement System as further described in Note 10. The Town provides other postemployment benefits in accordance with its OPEB plan as further described in Note 11.

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

O. Investment Income

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

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Compensated absences are reported in governmental funds only if they have matured.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave benefits are reported as liabilities and expensed when the benefit is earned by the employee.

Governmental Fund Financial Statements

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

Q. Use of Estimates

Government-Wide and Fund Financial Statements

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

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

R. Total Column

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. In addition, there are various restrictions limiting the amount and length of deposits and investments.

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

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for custodial credit risk is to rely on FDIC and DIF insurance coverage. At year-end, the carrying amount of deposits totaled \$32,746,698 and the bank balance totaled \$33,667,087. Of the bank balance, \$10,307,803 was covered by Federal Depository Insurance, \$11,186,626 was collateralized, and \$12,172,658 was exposed to custodial credit risk because it was uninsured and uncollateralized. Additionally, approximately \$14.5 million of money market mutual funds and MMDT are also classified as cash in the accompanying financial statements.

Interest Rate Risk

The Town's investment policy limits investment maturities to one year or less for bonds and three years or less for government sponsored enterprises, as a means of managing its exposure to fair value losses

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

arising from increasing interest rates. The Town participates in MMDT, which maintains a cash portfolio with combined average maturity of approximately 47 days.

As of June 30, 2025, the Town had the following investments and maturities:

Investment Type	Fair value	Maturities	
		Under 1 Year	1-5 Years
<u>Debt securities:</u>			
U.S. treasury bonds.....	\$ 28,119,414	\$ 27,421,054	\$ 698,360
<u>Other investments:</u>			
Equity securities.....	11,215,852		
Equity mutual funds.....	1,761,249		
Fixed income mutual funds.....	543,179		
International equity securities.....	553,527		
Money market mutual funds.....	14,191,046		
MMDT - Cash portfolio.....	<u>266,856</u>		
Total investments.....	\$ <u>56,651,123</u>		

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town does not have a policy for custodial credit risk of investments.

Credit Risk

The Town does not have a policy for credit risk of debt securities. At June 30, 2025, the Town's debt investments consisted of government sponsored enterprises that were rated AAA. The Town's investments of \$14,191,046 in money market mutual funds and \$266,856 in MMDT were unrated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town places no limit on the amount the Town may invest in any one issuer. The Town did not have more than 5% of its investments in any one individual security.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Fair Value of Investments

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

The Town has the following recurring fair value measurements as of June 30, 2025:

Investment Type	June 30, 2025	Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments measured at fair value:						
Debt securities:						
U.S. treasury bonds.....	\$ 28,119,414	\$ -	\$ 28,119,414	\$ -		
Other investments:						
Equity securities.....	11,215,852	11,215,852	-	-		
Equity mutual funds.....	1,761,249	1,761,249	-	-		
Fixed income mutual funds.....	543,179	543,179	-	-		
International equity securities.....	553,527	553,527	-	-		
Money market mutual funds.....	14,191,046	14,191,046	-	-		
Total other investments.....	28,264,853	28,264,853	-	-		
Total investments measured at fair value.....	56,384,267	\$ 28,264,853	\$ 28,119,414	\$ -		
Investments measured at amortized cost:						
MMDT - Cash portfolio.....		266,856				
Total investments.....	\$ 56,651,123					

Equity securities, equity mutual funds, fixed income mutual funds, international equity securities, and money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S treasury bonds classified in Level 2 of the fair value hierarchy are valued using observable inputs other than quoted prices included in Level 1. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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 Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 3 – RECEIVABLES

At June 30, 2025, receivables for the individual major and non-major governmental funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes.....	\$ 1,044,414	\$ (1,815)	\$ 1,042,599
Tax liens.....	2,869,674	-	2,869,674
Community preservation fund surtax.....	20,164	-	20,164
Motor vehicle and other excise taxes.....	506,047	(34,241)	471,806
Departmental and other.....	889,399	(54,624)	834,775
Intergovernmental.....	<u>9,102</u>	<u>-</u>	<u>9,102</u>
 Total.....	 <u>5,338,800</u>	 <u>(90,680)</u>	 <u>5,248,120</u>

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

	General Fund	Other Governmental Funds	Total
Receivables and other assets:			
Real estate and personal property taxes.....	\$ 621,441	\$ -	\$ 621,441
Tax liens.....	2,869,674	-	2,869,674
Community preservation fund surtax.....	-	20,164	20,164
Motor vehicle and other excise taxes.....	471,806	-	471,806
Departmental and other.....	-	834,775	834,775
Tax foreclosures.....	<u>287,008</u>	<u>-</u>	<u>287,008</u>
 Total.....	 <u>4,249,929</u>	 <u>854,939</u>	 <u>5,104,868</u>

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 50,202,908	\$ -	\$ -	\$ 50,202,908
Construction in progress.....	41,245,830	1,987,219	(40,804,756)	2,428,293
Intangible assets.....	16,178,237	-	-	16,178,237
 Total capital assets not being depreciated.....	 107,626,975	 1,987,219	 (40,804,756)	 68,809,438
<u>Capital assets being depreciated:</u>				
Land improvements.....	4,135,607	292,303	-	4,427,910
Buildings and improvements.....	85,715,948	37,979,938	-	123,695,886
Machinery and equipment.....	15,599,064	469,695	(517,201)	15,551,558
Vehicles.....	5,832,328	1,559,671	(508,090)	6,883,909
Infrastructure.....	25,749,606	5,752,093	(985,023)	30,516,676
 Total capital assets being depreciated.....	 137,032,553	 46,053,700	 (2,010,314)	 181,075,939
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(1,820,509)	(166,562)	-	(1,987,071)
Buildings and improvements.....	(47,905,457)	(3,289,219)	-	(51,194,676)
Machinery and equipment.....	(10,227,091)	(955,885)	517,201	(10,665,775)
Vehicles.....	(4,724,437)	(511,451)	508,090	(4,727,798)
Infrastructure.....	(15,240,796)	(773,874)	985,023	(15,029,647)
 Total accumulated depreciation.....	 (79,918,290)	 (5,696,991)	 2,010,314	 (83,604,967)
 Total capital assets being depreciated, net.....	 57,114,263	 40,356,709	 -	 97,470,972
 Total governmental activities capital assets, net.....	 \$ 164,741,238	 \$ 42,343,928	 \$ (40,804,756)	 \$ 166,280,410

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 192,500	\$ -	\$ -	\$ 192,500
Construction in progress.....	- -	62,716	- -	62,716
Total capital assets not being depreciated..	192,500	62,716	- -	255,216
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	1,650,181	43,379	- -	1,693,560
Machinery and equipment.....	102,278	12,400	- -	114,678
Vehicles.....	318,180	- -	- -	318,180
Total capital assets being depreciated.....	2,070,639	55,779	- -	2,126,418
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(1,227,173)	(37,037)	- -	(1,264,210)
Machinery and equipment.....	(102,278)	(620)	- -	(102,898)
Vehicles.....	(318,180)	- -	- -	(318,180)
Total accumulated depreciation.....	(1,647,631)	(37,657)	- -	(1,685,288)
Total capital assets being depreciated, net.....	423,008	18,122	- -	441,130
Total business-type activities capital assets, net..	\$ 615,508	\$ 80,838	\$ - -	\$ 696,346

At June 30, 2025, the business-type activities vehicle assets are fully depreciated but continue to be used by the Town. In accordance with GASB guidance, Town management periodically reviews and, if necessary, prospectively reevaluates the estimated useful lives of capital assets. The Town has prospectively extended the useful lives of the business-type activities vehicle assets and continues to monitor asset condition and useful life estimates to ensure appropriate accounting treatment.

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

Governmental Activities:

General government.....	\$ 298,606
Public safety.....	790,659
Education.....	1,695,644
Public works.....	2,694,538
Health and human services.....	7,480
Culture and recreation.....	210,064

Total depreciation expense - governmental activities.....\$ 5,696,991

Business-Type Activities:

Swimming pool.....	\$ 37,037
Transfer station.....	620

Total depreciation expense - business-type activities.....\$ 37,657

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025, are summarized as follows:

Transfers Out:	Transfers In:		
	General Fund	Nonmajor Governmental Funds	Total
Community Preservation Fund.....	\$ -	\$ 672,000	\$ 672,000 (1)
Nonmajor Governmental Funds.....	1,047,209	-	1,047,209 (2)
Nonmajor Enterprise Fund.....	10,500	-	10,500 (3)
Total.....	\$ 1,057,709	\$ 672,000	\$ 1,729,709

- (1) Represents budgeted transfers from the community preservation fund to the nonmajor affordable housing fund.
- (2) Represents budgeted transfers from the nonmajor ambulance and solar revolving funds to the general fund, and transfers to close out unspent capital project funds.
- (3) Represents a budgeted transfer from the nonmajor recreation field maintenance enterprise fund to the synthetic turf field stabilization fund.

NOTE 6 – SHORT-TERM FINANCING

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

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

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

The Town had no short-term financing activity for the year ended June 30, 2025.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 7 – LONG-TERM DEBT

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5% of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, a Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

Details related to the outstanding indebtedness at June 30, 2025, and the debt service requirements are as follows:

Bonds Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2025
General Obligation Bonds Payable:				
General Obligation Refunding Bonds - CPA 2018.....	2029	\$ 2,640,000	2.00-4.00	\$ 950,000
ESCO Loan.....	2030	974,146	2.51	445,242
General Obligation Bonds - Police Station (exempt).....	2035	6,760,000	2.00-5.00	3,368,000
General Obligation Bonds - Johnson (exempt).....	2035	1,724,000	2.00-5.00	850,000
General Obligation Bonds - Police.....	2031	280,800	2.00-5.00	117,000
General Obligation Bonds - CPA Johnson.....	2035	1,000,000	2.00-5.00	500,000
General Obligation Bonds - Broadacres.....	2041	3,465,000	1.00-4.00	2,765,000
General Obligation Bonds - Camp Sewataro.....	2041	11,065,000	1.00-4.00	8,825,000
General Obligation Bonds - DPW Fuel.....	2031	1,345,000	1.00-4.00	805,000
General Obligation Bonds - Stearns Mill Dam.....	2026	685,000	4.00	135,000
General Obligation Bonds - Pantry Brook Refunding.....	2034	2,005,000	1.00-4.00	1,545,000
General Obligation Bonds - CPA 2010 Refunding.....	2031	905,000	1.00-4.00	545,000
General Obligation Bonds - Fairbank Community Center.....	2053	27,390,000	4.00-5.00	26,445,000
General Obligation Bonds - Drainage/Roadway.....	2044	3,155,000	4.00-5.00	2,995,000
General Obligation Bonds - Fire Station Addition.....	2044	3,060,000	4.00-5.00	2,905,000
General Obligation Bonds - Land Acquisition.....	2034	745,000	4.00-5.00	670,000
General Obligation Bonds - Bridge Replacement.....	2044	430,000	4.00-5.00	405,000
Subtotal General Obligation Bonds Payable.....				54,270,242
Direct Borrowings Payable:				
Massachusetts Clean Water Trust Loan of 2023.....	2043	500,000	1.50	450,000
Total Bonds Payable.....				54,720,242
Add: Unamortized premium on bonds.....				2,274,199
Total Bonds Payable, net.....				\$ 56,994,441

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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

Year	General Obligation Bonds Payable		Direct Borrowings Payable		Total
	Principal	Interest	Principal	Interest	
2026.....	\$ 3,432,895	\$ 1,924,207	\$ 25,000	\$ 6,750	\$ 5,388,852
2027.....	3,293,273	1,795,829	25,000	6,376	5,120,478
2028.....	3,293,787	1,675,415	25,000	6,000	5,000,202
2029.....	3,299,641	1,554,673	25,000	5,624	4,884,938
2030.....	3,075,646	1,436,132	25,000	5,250	4,542,028
2031.....	2,970,000	1,332,427	25,000	4,876	4,332,303
2032.....	2,730,000	1,231,477	25,000	4,500	3,990,977
2033.....	2,730,000	1,135,924	25,000	4,126	3,895,050
2034.....	2,730,000	1,039,983	25,000	3,750	3,798,733
2035.....	2,470,000	957,840	25,000	3,376	3,456,216
2036.....	1,995,000	879,558	25,000	3,000	2,902,558
2037.....	1,990,000	815,350	25,000	2,624	2,832,974
2038.....	1,990,000	751,275	25,000	2,250	2,768,525
2039.....	1,990,000	686,800	25,000	1,874	2,703,674
2040.....	1,990,000	622,258	25,000	1,500	2,638,758
2041.....	1,990,000	557,262	25,000	1,126	2,573,388
2042.....	1,270,000	492,000	25,000	750	1,787,750
2043.....	1,270,000	441,200	25,000	376	1,736,576
2044.....	1,270,000	390,400	-	-	1,660,400
2045.....	945,000	339,600	-	-	1,284,600
2046.....	945,000	301,800	-	-	1,246,800
2047.....	945,000	264,000	-	-	1,209,000
2048.....	945,000	226,000	-	-	1,171,000
2049.....	945,000	188,400	-	-	1,133,400
2050.....	945,000	150,600	-	-	1,095,600
2051.....	940,000	112,800	-	-	1,052,800
2052.....	940,000	75,200	-	-	1,015,200
2053.....	940,000	37,600	-	-	977,600
Total.....	\$ 54,270,242	\$ 21,416,010	\$ 450,000	\$ 64,128	\$ 76,200,380

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2025, the Town had authorized and unissued debt as follows:

Purpose	Amount
Pool Renovation.....	\$ 3,309,000
Ambulance Replacement.....	<u>500,000</u>
Total.....	\$ 3,809,000

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Changes in Long-term Liabilities

During the year ended June 30, 2025, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 57,838,087	\$ -	\$ (3,567,845)	\$ -	\$ -	\$ 54,270,242	\$ 3,432,895
Long-term direct borrowings payable.....	475,000	- -	(25,000)	- -	- -	450,000	25,000
Add: Unamortized premium on bonds....	2,500,196	- -	- -	- -	(225,997)	2,274,199	210,036
Total bonds payable.....	60,813,283	- -	(3,592,845)	- -	(225,997)	56,994,441	3,667,931
Compensated absences.....	747,008	- -	- -	7,903,643	(74,701)	8,575,950	857,595
Net pension liability.....	64,851,997	- -	- -	5,890,239	(8,187,148)	62,555,088	-
Net OPEB liability.....	37,219,345	- -	- -	6,054,019	(2,756,677)	40,516,687	-
 Total governmental activity							
long-term liabilities.....	<u>163,631,633</u>	<u>-</u>	<u>\$ (3,592,845)</u>	<u>\$ 19,847,901</u>	<u>\$ (11,244,523)</u>	<u>\$ 168,642,166</u>	<u>\$ 4,525,526</u>
 Business-Type Activities:							
Compensated absences.....	\$ 20,987	\$ - -	\$ - -	\$ 27,441	\$ (2,099)	\$ 46,329	\$ 4,633
Net pension liability.....	843,732	- -	- -	85,494	(21,271)	907,955	-
Net OPEB liability.....	106,697	- -	- -	13,813	(5,899)	114,611	-
 Total business-type activity							
long-term liabilities.....	<u>971,416</u>	<u>\$ - -</u>	<u>\$ - -</u>	<u>\$ 126,748</u>	<u>\$ (29,269)</u>	<u>\$ 1,068,895</u>	<u>\$ 4,633</u>

The governmental activities long-term liabilities are generally liquidated by the general fund, except for debt incurred and paid for by the community preservation fund, and the business-type activities long-term liabilities are generally liquidated by the applicable enterprise fund.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

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

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

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

The Town maintains a general stabilization fund with a year-end balance of \$6,217,520, which is reported in the general fund as unassigned fund balance. The Town also maintains a capital stabilization fund and synthetic turf stabilization fund with balances of \$1,840,137 and \$113,301, respectively. These special purpose stabilization funds are reported in the general fund as committed fund balance. During 2025 the Town voted to close the energy stabilization fund and the remaining balance in the fund was transferred to the general stabilization fund. The Town maintains a workers' compensation fund with a year-end balance of \$161,649. This fund is reported in the general fund as restricted fund balance.

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

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 1,294,892	\$ 1,294,892
Restricted for:				
Workers' compensation fund.....	161,649	-	-	161,649
Community preservation.....	-	13,184,755	-	13,184,755
School lunch.....	-	-	1,395,414	1,395,414
Affordable housing.....	-	-	870,925	870,925
Revolving.....	-	-	6,831,460	6,831,460
Receipts reserved for appropriation.....	-	-	2,181,949	2,181,949
Town grants.....	-	-	2,754,105	2,754,105
Other special revenue fund.....	-	-	1,640,046	1,640,046
General capital projects.....	-	-	1,427,406	1,427,406
Cemetery perpetual care.....	-	-	502,379	502,379
Other permanent fund.....	-	-	248,049	248,049
Committed to:				
General government.....	412,975	-	-	412,975
Public safety.....	1,180,109	-	-	1,180,109
Education.....	615,041	-	-	615,041
Public works.....	1,920,518	-	-	1,920,518
Culture and recreation.....	17,907	-	-	17,907
Capital stabilization.....	1,840,137	-	-	1,840,137
Synthetic turf field stabilization.....	113,301	-	-	113,301
Assigned to:				
General government.....	67,833	-	-	67,833
Public safety.....	107,367	-	-	107,367
Education.....	897,551	-	-	897,551
Public works.....	754,309	-	-	754,309
Health and human services.....	2,199	-	-	2,199
Culture and recreation.....	1,041	-	-	1,041
Employee benefits.....	10,500	-	-	10,500
Unassigned.....	22,256,786	-	-	22,256,786
Total Fund Balances.....	\$ 30,359,223	\$ 13,184,755	\$ 19,146,625	\$ 62,690,603

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 9 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town participates in a premium-based health care and workers' compensation plan for its active employees. The amount of the claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

NOTE 10 – PENSION PLAN

Plan Description

The Town is a member of the Middlesex County Retirement System (MCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the member units. The MCRS is administered by the Middlesex Retirement Board (the "Board") on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://middlesexretirement.org>.

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

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2024. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$7,003,511 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 \$84,848,248 as of the measurement date.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Benefits Provided

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

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

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

There were no changes in benefit terms that affected the measurement of the total pension liability since the prior measurement date.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the MCRS a legislatively mandated actuarially determined contribution that is apportioned among the employers based on active current payroll. The Town's actual contribution for the year ended December 31, 2024, was \$6,793,660, or 31.93% of covered payroll. The Town's actual contribution was \$5,517 greater than its proportionate share of the required contribution. The required contribution is actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2025, the Town reported a liability of \$63,463,043 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The Town's proportion of the net pension liability was based on a projection of the Town's

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2024, the Town's proportion was 3.90%, which increased from its proportionate share of 3.88% measured at December 31, 2023.

Pension Expense

For the year ended June 30, 2025, the Town recognized pension expense of \$5,975,733. At June 30, 2025, the Town reported deferred outflows of resources related to pensions of \$3,778,885 and deferred inflows of resources related to pensions of \$1,433,812.

The balances of deferred outflows and inflows of resources related to pensions at June 30, 2025 consist of the following:

<u>Deferred Category</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Differences between expected and actual experience.....	\$ 1,402,733	\$ -	\$ 1,402,733
Net difference between projected and actual earnings.....	1,978,035	-	1,978,035
Changes in assumptions.....	211,894	-	211,894
Changes in proportion and proportionate share of contributions.....	<u>186,223</u>	<u>(1,433,812)</u>	<u>(1,247,589)</u>
Total deferred outflows/(inflows) of resources.....	<u>3,778,885</u>	<u>\$ (1,433,812)</u>	<u>\$ 2,345,073</u>

The deferred outflows and inflows of resources related to pensions will be recognized in pension expense/(benefit) as follows:

Year ended June 30:

2026.....	\$ 832,394
2027.....	2,177,400
2028.....	(438,750)
2029.....	<u>(225,971)</u>
Total.....	<u>\$ 2,345,073</u>

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Actuarial Assumptions

The total pension liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2024:

Valuation date.....	January 1, 2024
Actuarial cost method.....	Entry Age Normal Cost Method.
Investment rate of return/Discount rate...	7.15%
Inflation rate.....	3.25%
Projected salary increases.....	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4.
Cost of living adjustments.....	3.00% of the first \$16,000.
Mortality Rates:	
Pre-Retirement.....	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Healthy Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

Investment Policy

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024, are summarized in the table on the following page.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Asset Allocation
Domestic equity.....	5.82%	23.50%
International developed markets equity.....	5.91%	9.00%
International emerging markets equity.....	7.06%	3.50%
Core fixed income.....	1.81%	15.00%
High-yield fixed income.....	3.34%	9.00%
Real estate.....	3.34%	10.00%
Timber.....	3.82%	4.00%
Hedge funds, GTAA, risk parity.....	2.77%	10.00%
Private equity.....	9.20%	16.00%
		<hr/>
		100.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.15% at December 31, 2024 and December 31, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.15%)	Current Discount (7.15%)	1% Increase (8.15%)
The Town's proportionate share of the net pension liability.....	\$ <u>80,489,706</u>	\$ <u>63,463,043</u>	\$ <u>49,141,580</u>

Changes of Assumptions

None.

Changes in Plan Provisions

January 1, 2024 - pursuant to chapter 269 of the Acts of 2022, the Board approved a one-time increase in the COLA from 3% to 5% effective July 1, 2022.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Town of Sudbury administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides health, dental and life insurance for eligible retirees and their spouses through a single-employer defined Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 50 percent of the cost of current-year premiums for health and life insurance for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50 percent of their premium costs for health and life insurance and all of the premiums related to dental insurance. For the year ended June 30, 2025, the Town contributed \$2.8 million to the plan. The average contribution rate for 2025 was 5.38% of covered employee payroll.

The Commonwealth of Massachusetts passed special legislation that enabled the Town to establish a postemployment benefit trust fund for the purpose of accumulating assets to pre-fund its OPEB liabilities. The Town created the Strategic Financial Planning Committee for OPEB Liabilities to generate, evaluate and report on strategies and options, both short and long term, for dealing with the unfunded OPEB liabilities facing the Town of Sudbury.

During 2025, the Town pre-funded future OPEB liabilities by contributing \$656,257 to the OPEB Trust Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2025, the balance of this fund totaled \$17.8 million.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Employees Covered by Benefit Terms

The following table represents the Plan's membership as of the June 30, 2025 measurement date:

Active members.....	608
Inactive members currently receiving benefits.....	<u>459</u>
Total.....	<u>1,067</u>

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2025:

Total OPEB liability.....	\$ 58,390,251
Less: OPEB plan's fiduciary net position.....	<u>(17,758,953)</u>
Net OPEB liability.....	\$ <u>40,631,298</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability..	30.41%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2023, 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, 2025:

Valuation date.....	July 1, 2023
Actuarial cost method.....	Entry Age Normal.
Asset valuation method.....	Fair Value.
Investment rate of return.....	5.98%, net of investment expenses, including inflation.
Discount rate.....	5.96%, net of investment expenses, including inflation.
Municipal bond rate.....	4.81%, based on the S&P Municipal Bond 20-Year High Grade Index - SAPIHG, as of June 30, 2025.
Inflation rate.....	2.50% as of June 30, 2025 and for future periods.
Payroll growth.....	3.00% as of June 30, 2025 and for future periods.
Healthcare cost trend rate.....	4.96% for 2025, decreasing 0.04% per year to 4.77%, then grading down to an ultimate trend rate of 3.63% in 2060. Rates were developed using the Society of Actuaries Getzen Model of Long-Run Medical Cost Trends.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Mortality rates:

Pre-Retirement.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016, set forward one year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016.
Post-Retirement.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016, set forward one year for females. Teachers: RP-2014 Mortality for White Collar Healthy Annuitants projected generationally with scale MP-2016.
Disabled.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016, set forward one year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016.

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 7.82%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity - large cap.....	63.25%	4.52%
Domestic equity - small/mid cap.....	0.00%	5.06%
International equity - developed market....	3.00%	5.08%
International equity - emerging market.....	0.00%	5.80%
Domestic fixed income.....	29.25%	2.44%
International fixed income.....	0.00%	2.13%
Alternatives.....	0.00%	6.09%
Real estate.....	0.00%	3.73%
Cash.....	<u>4.50%</u>	<u>0.00%</u>
Total.....	<u>100.00%</u>	

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

Discount Rate

The discount rate used to measure the total OPEB liability was 5.96% as of June 30, 2025 and 6.37% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB plan assets was applied to the projected benefit payments which the net position is expected to be sufficient to cover until fiscal 2089, and the municipal bond rate, based on the S&P Municipal Bond 20-Year High Grade Index published on June 30, 2025, was applied to all periods thereafter to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024.....	\$ 53,194,041	\$ 15,867,999	\$ 37,326,042
Changes for the year:			
Service cost.....	1,367,367	-	1,367,367
Interest.....	3,409,315	-	3,409,315
Changes of assumptions.....	2,532,104	-	2,532,104
Net investment income.....	-	1,234,697	(1,234,697)
Employer contributions.....	-	2,768,833	(2,768,833)
Benefit payments.....	<u>(2,112,576)</u>	<u>(2,112,576)</u>	<u>-</u>
Net change.....	<u>5,196,210</u>	<u>1,890,954</u>	<u>3,305,256</u>
Balances at June 30, 2025.....	<u>\$ 58,390,251</u>	<u>\$ 17,758,953</u>	<u>\$ 40,631,298</u>

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

The following table presents the net OPEB liability, calculated using the discount rate of 5.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.96%) or 1-percentage-point higher (6.96%) than the current rate.

	Current		
	1% Decrease (4.96%)	Discount Rate (5.96%)	1% Increase (6.96%)
Net OPEB liability... \$	<u>49,400,155</u>	<u>\$ 40,631,298</u>	<u>\$ 33,586,533</u>

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

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

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

	1% Decrease	Current Trend	1% Increase
Net OPEB liability....	\$ 32,809,723	\$ 40,631,298	\$ 50,451,544

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

For the financial reporting year ended June 30, 2025, the Town recognized OPEB benefit of \$589,603 and reported deferred outflows and inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience....	\$ -	\$ (5,040,417)	\$ (5,040,417)
Net difference between projected and actual earnings....	-	(626,849)	(626,849)
Changes of assumptions.....	3,208,616	(19,585,940)	(16,377,324)
Total deferred outflows/(inflows) of resources.....	\$ 3,208,616	\$ (25,253,206)	\$ (22,044,590)

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

Reporting year ended June 30:

2026.....	\$ (7,669,698)
2027.....	(8,214,567)
2028.....	(4,047,271)
2029.....	(1,842,601)
2030.....	(413,783)
Thereafter.....	<u>143,330</u>
Total.....	<u>\$ (22,044,590)</u>

Changes of Assumptions

The discount rate was decreased from 6.37% as of June 30, 2024, to 5.96% as of June 30, 2025.

Changes in Plan Provisions

None.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The Town is committed to completing various projects which will be funded with long-term debt totaling approximately \$3.8 million. The general fund has various pending transactions for goods and services related to articles and encumbrances totaling \$6.0 million.

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

Various legal actions and claims are pending against the Town. 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, 2025, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2025.

NOTE 13 – CHANGE WITHIN REPORTING ENTITY

The Town reviewed its fund classifications against the major fund reporting criteria established by Governmental Accounting Standards Board (GASB) *Statement #34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and made the following determinations:

- Governmental funds – the General Capital Projects and American Rescue Plan Act (ARPA) funds, which were previously reported as major governmental funds, do not meet the quantitative criteria for required major fund reporting in fiscal year 2025; these funds have been reclassified as nonmajor governmental funds.
- Enterprise funds – the Swimming Pool, Transfer Station and Recreation Field Maintenance funds, which were previously reported as major enterprise funds, do not meet the quantitative criteria for required major fund reporting in fiscal year 2025; these funds have been reclassified as nonmajor enterprise funds.

The effects of these reclassifications are reflected in the accompanying financial statements in accordance with GASB *Statement #100, Accounting Changes and Error Corrections*. The reclassifications did not impact the total net position or change in net position of the Town. The beginning fund balance of the American Rescue Plan Act (ARPA) fund was zero, therefore beginning fund balance adjustment was not necessary for this fund.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

The impact of the governmental fund reclassifications are as follows:

	Reporting Units Impacted by Adjustment to Beginning Fund Balances of Governmental Funds	
	General Capital Projects	Nonmajor Governmental Funds
June 30, 2024, as previously reported.....	\$ 2,778,372	\$ 15,330,940
Adjustment - change from major to nonmajor fund.....	<u>(2,778,372)</u>	<u>2,778,372</u>
June 30, 2024, as adjusted.....	<u>\$ -</u>	<u>\$ 18,109,312</u>

The impact of the enterprise fund reclassifications are as follows:

	Reporting Units Impacted by Adjustment to Beginning Fund Balances of Enterprise Funds			
	Swimming Pool	Transfer Station	Recreation Field Maintenance	Nonmajor Enterprise Fund
June 30, 2024, as previously reported.....	\$ 591,138	\$ 294,583	\$ (155,748)	\$ -
Adjustment - change from major to nonmajor fund.....	<u>(591,138)</u>	<u>(294,583)</u>	<u>155,748</u>	<u>729,973</u>
June 30, 2024, as adjusted.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 729,973</u>

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 27, 2025, which is the date the financial statements were available to be issued.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2025, the following GASB pronouncements were implemented:

- GASB Statement #101, *Compensated Absences*. The annual comprehensive financial report and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #102, *Certain Risk Disclosures*. The annual comprehensive financial report and related notes were updated to be in compliance with this pronouncement.

Town of Sudbury, Massachusetts

Notes to Basic Financial Statements

Year Ended June 30, 2025

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #103, Financial Reporting Model Improvements, which is required to be implemented in 2026.
- The GASB issued Statement #104, Disclosure of Certain Capital Assets, which is required to be implemented in 2026.
- The GASB issued Statement #105, Subsequent Events, which is required to be implemented for 2027.

Management is currently assessing the impact the implementation of these pronouncements will have on the annual comprehensive financial report.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

Town of Sudbury, Massachusetts

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

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 109,295,844	\$ 109,295,844	\$ 109,207,860	\$ -	\$ (87,984)
Tax liens.....	-	-	169,305	-	169,305
Motor vehicle and other excise taxes.....	3,725,000	3,725,000	5,202,559	-	1,477,559
Penalties and interest on taxes.....	211,000	211,000	317,414	-	106,414
Payments in lieu of taxes.....	41,000	41,000	12,069	-	(28,931)
Licenses and permits.....	795,000	795,000	1,199,878	-	404,878
Fines and forfeitures.....	8,000	8,000	18,008	-	10,008
Intergovernmental.....	7,695,442	7,695,442	7,724,346	-	28,904
Departmental and other.....	793,251	793,251	987,004	-	193,753
Investment income.....	105,000	105,000	1,993,072	-	1,888,072
TOTAL REVENUES.....	122,669,537	122,669,537	126,831,515	-	4,161,978
EXPENDITURES:					
Current:					
General Government:					
Select Board/Town Manager					
Personnel services.....	475,006	507,996	488,729	-	19,267
Expenditures.....	91,225	99,971	43,392	54,704	1,875
Total.....	566,231	607,967	532,121	54,704	21,142
Assistant Town Manager/Personnel					
Personnel services.....	254,342	306,316	303,581	-	2,735
Expenditures.....	15,480	13,963	4,406	-	9,557
Total.....	269,822	320,279	307,987	-	12,292
Accounting					
Personnel services.....	335,167	335,167	278,738	-	56,429
Expenditures.....	85,356	85,356	85,092	112	152
Total.....	420,523	420,523	363,830	112	56,581
Finance Committee					
Personnel services.....	4,959	4,959	2,877	-	2,082
Assessors					
Personnel services.....	246,411	246,911	246,640	-	271
Expenditures.....	80,005	79,505	77,568	192	1,745
Total.....	326,416	326,416	324,208	192	2,016
Finance Director/Treasurer/Collector					
Personnel services.....	342,136	343,761	343,737	-	24
Expenditures.....	35,730	47,730	34,702	8,594	4,434
Total.....	377,866	391,491	378,439	8,594	4,458
Information Systems					
Personnel services.....	289,854	295,984	294,097	-	1,887
Expenditures.....	606,970	666,970	411,040	253,817	2,113
Total.....	896,824	962,954	705,137	253,817	4,000
Law					
Personnel services.....	59,384	53,254	17,737	-	35,517
Expenditures.....	416,429	315,161	154,355	155,431	5,375
Total.....	475,813	368,415	172,092	155,431	40,892
Town Clerk and Registrars					
Personnel services.....	336,656	322,970	283,311	-	39,659
Expenditures.....	40,203	40,090	38,861	570	659
Total.....	376,859	363,060	322,172	570	40,318

(Continued)

See notes to required supplementary information.

Town of Sudbury, Massachusetts

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

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Conservation					
Personnel services.....	219,317	223,116	223,097	-	19
Expenditures.....	18,800	18,800	17,356	-	1,444
Total.....	238,117	241,916	240,453	-	1,463
Planning and Board of Appeals					
Personnel services.....	361,045	307,446	291,585	-	15,861
Expenditures.....	140,161	132,407	128,375	7,088	(3,056)
Total.....	501,206	439,853	419,960	7,088	12,805
Town-Wide Operations					
Expenditures.....	195,624	215,375	204,122	300	10,953
Reserve Fund.....	300,000	200,000	-	-	200,000
Total General Government.....	4,950,260	4,863,208	3,973,398	480,808	409,002
Public Safety:					
Police					
Personnel services.....	4,064,955	4,035,953	4,033,802	-	2,151
Expenditures.....	665,652	739,127	679,626	59,501	-
Total.....	4,730,607	4,775,080	4,713,428	59,501	2,151
Fire					
Personnel services.....	4,772,508	4,762,508	4,654,541	-	107,967
Expenditures.....	1,890,350	1,823,857	588,549	1,227,975	7,333
Total.....	6,662,858	6,586,365	5,243,090	1,227,975	115,300
Building					
Personnel services.....	314,157	314,157	292,348	-	21,809
Expenditures.....	23,272	23,272	21,030	-	2,242
Total.....	337,429	337,429	313,378	-	24,051
Total Public Safety.....	11,730,894	11,698,874	10,269,896	1,287,476	141,502
Education:					
School Department.....	78,130,078	77,998,111	76,087,472	1,512,592	398,047
Public Works:					
Engineering					
Personnel services.....	499,777	353,777	243,016	12,000	98,761
Expenditures.....	227,968	145,378	141,515	-	3,863
Total.....	727,745	499,155	384,531	12,000	102,624
Streets and Roads					
Personnel services.....	1,346,218	1,267,218	1,245,649	-	21,569
Expenditures.....	3,868,629	3,934,967	2,907,131	1,021,502	6,334
Total.....	5,214,847	5,202,185	4,152,780	1,021,502	27,903
Snow and Ice					
Expenditures.....	450,000	1,000,000	993,646	-	6,354
Trees and Cemetery					
Personnel services.....	380,988	380,611	351,138	-	29,473
Expenditures.....	119,918	116,485	115,932	305	248
Total.....	500,906	497,096	467,070	305	29,721
Parks and Grounds					
Personnel services.....	177,692	177,692	173,547	-	4,145
Expenditures.....	141,115	139,895	116,800	11,344	11,751
Total.....	318,807	317,587	290,347	11,344	15,896

(Continued)

See notes to required supplementary information.

Town of Sudbury, Massachusetts

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

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Facilities					
Personnel services.....	457,066	424,076	423,255	-	821
Expenditures.....	3,417,090	3,593,535	1,953,809	1,629,676	10,050
Total.....	3,874,156	4,017,611	2,377,064	1,629,676	10,871
Total Public Works.....	11,086,461	11,533,634	8,665,438	2,674,827	193,369
Health and Human Services					
Board of Health					
Personnel services.....	453,106	442,206	425,572	-	16,634
Expenditures.....	119,284	130,184	128,038	630	1,516
Total.....	572,390	572,390	553,610	630	18,150
Council on Aging					
Personnel services.....	370,231	366,759	366,709	-	50
Expenditures.....	29,000	32,472	30,903	1,569	-
Total.....	399,231	399,231	397,612	1,569	50
Veterans Affairs					
Personnel services.....	14,054	14,054	12,803	-	1,251
Expenditures.....	46,807	46,807	32,411	-	14,396
Total.....	60,861	60,861	45,214	-	15,647
Total Health and Human Services.....	1,032,482	1,032,482	996,436	2,199	33,847
Culture and Recreation:					
Goodnow Library					
Personnel services.....	1,081,324	1,080,895	1,027,901	-	52,994
Expenditures.....	360,571	359,006	358,701	-	305
Total.....	1,441,895	1,439,901	1,386,602	-	53,299
Recreation					
Personnel services.....	247,719	247,719	247,170	-	549
Expenditures.....	83,128	34,993	17,086	17,907	-
Total.....	330,847	282,712	264,256	17,907	549
Historic Commission					
Personnel services.....	2,989	2,989	2,698	-	291
Expenditures.....	5,600	5,600	1,853	1,041	2,706
Total.....	8,589	8,589	4,551	1,041	2,997
Historic Districts Commission					
Personnel services.....	3,807	3,807	3,804	-	3
Expenditures.....	300	300	-	-	300
Total.....	4,107	4,107	3,804	-	303
Total Culture and Recreation.....	1,785,438	1,735,309	1,659,213	18,948	57,148
Pension Benefits					
County Retirement System and Pension Benefits					
Expenditures.....	6,823,143	6,823,143	6,822,660	-	483
Employee Benefits					
Workers Compensation					
Expenditures.....	339,072	339,072	308,470	-	30,602
Unemployment Compensation					
Expenditures.....	62,523	62,560	11,157	8,000	43,403
Medical Premiums					
Expenditures.....	8,511,854	8,511,854	8,328,787	2,500	180,567
Life Insurance					
Expenditures.....	4,563	4,563	1,994	-	2,569

(Continued)

See notes to required supplementary information.

Town of Sudbury, Massachusetts

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

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Medicare Tax Expenditures.....	836,887	836,887	792,681	-	44,206
Total Employee Benefits.....	9,754,899	9,754,936	9,443,089	10,500	301,347
Property and Liability Insurance Expenditures.....	561,895	561,895	535,798	-	26,097
State and County Charges Expenditures.....	310,312	310,312	262,046	-	48,266
Debt Service Principal Expenditures.....	2,942,845	2,942,845	2,942,845	-	-
Debt Service Interest Expenditures.....	1,954,620	1,954,620	1,954,620	-	-
TOTAL EXPENDITURES.....	131,063,327	131,209,369	123,612,911	5,987,350	1,609,108
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(8,393,790)	(8,539,832)	3,218,604	(5,987,350)	5,771,086
OTHER FINANCING SOURCES (USES):					
Transfers in.....	824,494	915,045	1,137,760	-	222,715
Transfers out.....	(10,100)	(10,100)	(10,100)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	814,394	904,945	1,127,660	-	222,715
NET CHANGE IN FUND BALANCE.....	(7,579,396)	(7,634,887)	4,346,264	(5,987,350)	5,993,801
BUDGETARY FUND BALANCE, Beginning of year.....	17,541,443	17,541,443	17,541,443	-	-
BUDGETARY FUND BALANCE, End of year..... \$	9,962,047	\$ 9,906,556	\$ 21,887,707	\$ (5,987,350)	\$ 5,993,801

(Concluded)

See notes to required supplementary information.

Community Preservation Fund Budgetary Comparison Schedule

The Community Preservation Fund is used to account for the acquisition, creation, preservation, or rehabilitation of areas of open space, historic preservation, affordable housing and recreation. Funding is provided primarily by a property tax surcharge of up to 3%, along with matching state funds.

Town of Sudbury, Massachusetts

**Community Preservation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**

Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Community preservation taxes.....	\$ 2,360,652	\$ 2,360,652	\$ 2,666,183	\$ -	\$ 305,531
Penalties and interest.....	-	-	4,370	-	4,370
Intergovernmental.....	514,348	514,348	514,348	-	-
Investment income.....	50,000	50,000	469,595	-	419,595
TOTAL REVENUES.....	2,925,000	2,925,000	3,654,496	-	729,496
EXPENDITURES:					
Community preservation.....	5,555,196	5,555,196	970,219	4,503,974	81,003
Debt service:					
Principal.....	650,000	650,000	650,000	-	-
Interest.....	100,904	100,904	100,904	-	-
TOTAL EXPENDITURES.....	6,306,100	6,306,100	1,721,123	4,503,974	81,003
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....					
	(3,381,100)	(3,381,100)	1,933,373	(4,503,974)	810,499
OTHER FINANCING SOURCES (USES):					
Transfers out.....	(672,000)	(672,000)	(672,000)	-	-
NET CHANGE IN FUND BALANCE.....	(4,053,100)	(4,053,100)	1,261,373	(4,503,974)	810,499
BUDGETARY FUND BALANCE, Beginning of year.....	11,923,382	11,923,382	11,923,382	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 7,870,282	\$ 7,870,282	\$ 13,184,755	\$ (4,503,974)	\$ 810,499

See notes to required supplementary information.

Pension Plan Schedules

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

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

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

Town of Sudbury, Massachusetts

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

Middlesex County Retirement System

<u>Year Ended</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2024.....	3.90%	\$ 63,463,043	\$ 21,068,326	301.22%	58.24%
December 31, 2023.....	3.88%	65,695,729	20,232,436	324.70%	55.21%
December 31, 2022.....	3.94%	66,845,536	19,605,695	340.95%	52.61%
December 31, 2021.....	4.08%	54,643,133	18,814,338	290.43%	61.14%
December 31, 2020.....	4.03%	61,745,935	18,621,425	331.59%	53.42%
December 31, 2019.....	4.01%	64,186,721	17,867,775	359.23%	49.45%
December 31, 2018.....	4.10%	63,931,576	16,560,368	386.05%	46.40%
December 31, 2017.....	4.14%	58,772,716	15,869,459	370.35%	49.27%
December 31, 2016.....	3.98%	56,372,784	15,254,095	369.56%	45.49%
December 31, 2015.....	4.02%	51,874,232	14,865,858	348.95%	46.13%

See notes to required supplementary information.

Town of Sudbury, Massachusetts

Schedule of the Town's Contributions

Middlesex County Retirement System

<u>Year Ended</u>	Contributions in relation to the actuarially determined contribution			Contribution deficiency (excess)	<u>Covered payroll</u>	Contributions as a percentage of covered payroll
June 30, 2025.....	\$ 6,788,143	\$ (6,793,660)	\$ (5,517)	\$ 21,279,009	31.93%	
June 30, 2024.....	6,370,873	(6,370,873)	-	20,434,760	31.18%	
June 30, 2023.....	5,993,875	(5,993,875)	-	19,801,752	30.27%	
June 30, 2022.....	5,622,886	(5,622,886)	-	19,002,481	29.59%	
June 30, 2021.....	5,389,846	(5,389,846)	-	18,807,639	28.66%	
June 30, 2020.....	5,026,152	(5,026,152)	-	18,046,453	27.85%	
June 30, 2019.....	4,468,265	(4,468,265)	-	16,725,972	26.71%	
June 30, 2018.....	4,185,908	(4,191,182)	(5,274)	16,028,154	26.15%	
June 30, 2017.....	3,961,686	(3,961,686)	-	15,444,771	25.65%	
June 30, 2016.....	3,710,907	(3,710,907)	-	15,051,681	24.65%	

See notes to required supplementary information.

Town of Sudbury, Massachusetts

Schedule of the Special Funding Amounts of the Net Pension Liability

Massachusetts Teachers' Retirement System

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

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2025.....	\$ 84,848,248	\$ 7,003,511	61.45%
2024.....	88,936,247	8,303,990	58.48%
2023.....	89,273,660	7,343,630	57.75%
2022.....	77,154,513	6,191,328	62.03%
2021.....	96,671,905	11,940,365	50.67%
2020.....	85,338,062	10,348,721	53.95%
2019.....	79,886,091	8,093,272	54.84%
2018.....	79,071,794	8,252,953	54.25%
2017.....	74,707,293	7,620,634	52.73%
2016.....	68,827,354	5,582,511	55.38%

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

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

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

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

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

Town of Sudbury, Massachusetts

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

Other Postemployment Benefit Plan

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Total OPEB Liability									
Service Cost.....	\$ 2,554,435	\$ 2,050,213	\$ 2,142,474	\$ 2,625,560	\$ 4,551,328	\$ 1,580,708	\$ 1,761,252	\$ 1,879,460	\$ 1,367,367
Interest.....	2,248,478	2,471,259	2,498,452	2,537,689	2,194,682	2,230,963	3,308,343	3,452,526	3,409,315
Changes of benefit terms.....	-	-	-	(928,278)	-	-	-	-	-
Differences between expected and actual experience.....	-	(6,260,543)	-	(2,832,407)	-	(1,218,427)	-	(6,647,131)	-
Changes of assumptions.....	(6,789,769)	9,184,285	6,217,539	25,956,202	1,343,407	(38,666,599)	1,020,732	(7,696,551)	2,532,104
Benefit payments.....	<u>(1,417,777)</u>	<u>(1,411,650)</u>	<u>(1,509,308)</u>	<u>(1,675,382)</u>	<u>(1,757,266)</u>	<u>(1,902,479)</u>	<u>(1,902,479)</u>	<u>(2,086,655)</u>	<u>(2,112,576)</u>
Net change in total OPEB liability.....	(3,404,633)	6,033,564	9,349,157	25,683,384	6,332,151	(37,975,834)	4,187,848	(11,098,351)	5,196,210
Total OPEB liability - beginning.....	<u>54,086,755</u>	<u>50,682,122</u>	<u>56,715,686</u>	<u>66,064,843</u>	<u>91,748,227</u>	<u>98,080,378</u>	<u>60,104,544</u>	<u>64,292,392</u>	<u>53,194,041</u>
Total OPEB liability - ending (a).....	<u>\$ 50,682,122</u>	<u>\$ 56,715,686</u>	<u>\$ 66,064,843</u>	<u>\$ 91,748,227</u>	<u>\$ 98,080,378</u>	<u>\$ 60,104,544</u>	<u>\$ 64,292,392</u>	<u>\$ 53,194,041</u>	<u>\$ 58,390,251</u>
Plan fiduciary net position									
Employer contributions.....	\$ 442,920	\$ 576,107	\$ 730,439	\$ 596,742	\$ 687,520	\$ 620,365	\$ 714,453	\$ 725,435	\$ 656,257
Employer contributions for OPEB payments.....	1,417,777	1,411,650	1,509,308	1,675,382	1,757,266	1,902,479	1,902,479	1,902,489	2,112,576
Net investment income (loss).....	198,566	(27,161)	634,424	165,091	1,698,091	353,363	1,186,988	1,325,942	1,234,697
Benefit payments.....	<u>(1,417,777)</u>	<u>(1,411,650)</u>	<u>(1,509,308)</u>	<u>(1,675,382)</u>	<u>(1,757,266)</u>	<u>(1,902,479)</u>	<u>(1,902,479)</u>	<u>(1,902,489)</u>	<u>(2,112,576)</u>
Net change in plan fiduciary net position.....	641,486	548,946	1,364,863	761,833	2,385,611	973,728	1,901,441	2,051,377	1,890,954
Plan fiduciary net position - beginning of year.....	<u>5,238,714</u>	<u>5,880,200</u>	<u>6,429,146</u>	<u>7,794,009</u>	<u>8,555,842</u>	<u>10,941,453</u>	<u>11,915,181</u>	<u>13,816,622</u>	<u>15,867,999</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 5,880,200</u>	<u>\$ 6,429,146</u>	<u>\$ 7,794,009</u>	<u>\$ 8,555,842</u>	<u>\$ 10,941,453</u>	<u>\$ 11,915,181</u>	<u>\$ 13,816,622</u>	<u>\$ 15,867,999</u>	<u>\$ 17,758,953</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 44,801,922</u>	<u>\$ 50,286,540</u>	<u>\$ 58,270,834</u>	<u>\$ 83,192,385</u>	<u>\$ 87,138,925</u>	<u>\$ 48,189,363</u>	<u>\$ 50,475,770</u>	<u>\$ 37,326,042</u>	<u>\$ 40,631,298</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	11.60%	11.34%	11.80%	9.33%	11.16%	19.82%	21.49%	29.83%	30.41%
Covered-employee payroll.....	\$ 38,721,911	\$ 35,461,031	\$ 39,495,099	\$ 41,146,333	\$ 42,145,772	\$ 45,967,663	\$ 47,346,693	\$ 49,866,028	\$ 51,362,009
Net OPEB liability as a percentage of covered-employee payroll.....	115.70%	141.81%	147.54%	202.19%	206.76%	104.83%	106.61%	74.85%	79.11%

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 Sudbury, Massachusetts

Schedule of the Town's Contributions

Other Postemployment Benefit Plan

<u>Year Ended</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
June 30, 2025.....	\$ 3,349,701	\$ (2,762,576)	\$ 587,125	\$ 51,362,009	5.38%
June 30, 2024.....	3,788,858	(2,812,090)	976,768	49,866,028	5.64%
June 30, 2023.....	4,037,020	(2,616,932)	1,420,088	47,346,693	5.53%
June 30, 2022.....	3,788,009	(2,522,844)	1,265,165	45,967,663	5.49%
June 30, 2021.....	7,039,257	(2,444,786)	4,594,471	42,145,772	5.80%
June 30, 2020.....	4,806,807	(2,272,124)	2,534,683	41,146,333	5.52%
June 30, 2019.....	4,185,097	(2,239,747)	1,945,350	39,495,099	5.67%
June 30, 2018.....	3,999,612	(1,987,757)	2,011,855	35,461,031	5.61%
June 30, 2017.....	4,244,275	(1,860,697)	2,383,578	38,721,911	4.81%

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.

Town of Sudbury, Massachusetts

Schedule of Investment Returns

Other Postemployment Benefit Plan

<u>Year Ended</u>	Annual money-weighted rate of return, net of investment expense
June 30, 2025.....	7.82%
June 30, 2024.....	8.78%
June 30, 2023.....	9.00%
June 30, 2022.....	2.92%
June 30, 2021.....	17.35%
June 30, 2020.....	1.86%
June 30, 2019.....	8.35%
June 30, 2018.....	-0.39%
June 30, 2017.....	3.26%

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.

Town of Sudbury, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2025

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Municipal Law requires the Town to adopt a balanced budget that is approved by Town Meeting. The Town legally adopts a budget for the General Fund and Community Preservation Fund. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any individual line item, adopts the expenditure budget by majority vote. Increases or transfers between departments subsequent to the approval of the annual budget require majority Town Meeting approval via a supplemental appropriation.

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

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

The original 2025 approved budget for the general fund authorized \$124.6 million in appropriations and other amounts to be raised, as well as \$6.5 million of encumbrances and capital articles carried forward from the prior year. Additionally, Town Meeting authorized supplemental appropriations of \$146,000 during the year.

The Town experienced operating surpluses for both revenues and expenditures. Revenues were higher than anticipated by \$4.2 million, with the largest surpluses relating to investment income and motor vehicle excise taxes. Total expenditures came in under budget by \$1.6 million.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained on an individual line-item appropriation account basis. Budgetary control is exercised through the Town's accounting system.

Town of Sudbury, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2025

Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for both the general fund and for the community preservation fund for the year ended June 30, 2025, is presented below:

	General	Community Preservation
Net change in fund balance - budgetary basis.....	\$ 4,346,264	\$ 1,261,373
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....	369,859	-
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....	(89,900)	-
Net change in recording 60 day receipts.....	42,108	-
Recognition of revenue for on-behalf payments.....	7,003,511	-
Recognition of expenditures for on-behalf payments.....	<u>(7,003,511)</u>	<u>-</u>
Net change in fund balance - GAAP basis.....	<u>\$ 4,668,331</u>	<u>\$ 1,261,373</u>

NOTE B – PENSION PLAN

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

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

Schedule of the Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The Town's 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 Town's 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 Town contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

Town of Sudbury, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2025

Schedule of the Special Funding Amounts of the Net Pension Liabilities

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

Changes of Assumptions

None.

Changes in Plan Provisions

January 1, 2024 - pursuant to chapter 269 of the Acts of 2022, the Board approved a one-time increase in the COLA from 3% to 5% effective July 1, 2022.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS PLAN

The Town administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members, including teachers.

The Other Postemployment Benefit Plan

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

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

Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll.

Methods and assumptions used to determine contribution rates are as seen on the following page.

Town of Sudbury, Massachusetts

Notes to Required Supplementary Information

Year Ended June 30, 2025

Valuation date.....	July 1, 2023
Actuarial cost method.....	Entry Age Normal.
Asset valuation method.....	Fair Value.
Investment rate of return.....	5.98%, net of investment expenses, including inflation.
Discount rate.....	5.96%, net of investment expenses, including inflation.
Municipal bond rate.....	4.81%, based on the S&P Municipal Bond 20-Year High Grade Index - SAPIHG, as of June 30, 2025.
Inflation rate.....	2.50% as of June 30, 2025 and for future periods.
Payroll growth.....	3.00% as of June 30, 2025 and for future periods.
Healthcare cost trend rate.....	4.96% for 2025, decreasing 0.04% per year to 4.77%, then grading down to an ultimate trend rate of 3.63% in 2060. Rates were developed using the Society of Actuaries Getzen Model of Long-Run Medical Cost Trends.

Mortality rates:

Pre-Retirement.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016, set forward one year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016.
Post-Retirement.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016, set forward one year for females. Teachers: RP-2014 Mortality for White Collar Healthy Annuitants projected generationally with scale MP-2016.
Disabled.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016, set forward one year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016.

Schedule of Investment Returns

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

Changes of Assumptions

The discount rate was decreased from 6.37% as of June 30, 2024, to 5.96% as of June 30, 2025.

Changes in Plan Provisions

None.

Supplementary Information

Combining Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

School Lunch Fund – This fund is used to account for all cafeteria activities and is funded by user charges, federal and state grants, and commodities received.

Affordable Housing Fund – This fund is used to account for activities relating to the preservation and creation of affordable housing in the Town.

Revolving Fund – This fund is used to account for the activity of various revolving funds established in accordance with MGL Chapter 44, Section 53E ½, Chapter 71 and other applicable statutes.

Receipts Reserved for Appropriation – This fund is used to account for receipts from a specific revenue source that by law is accounted for separately from the general fund and must be spent by appropriation.

Town Grants Fund – This fund is used to account for grant funds received from state and federal governments that are restricted for specific purposes.

American Rescue Plan Act (ARPA) Fund – This fund is used to accounts for federal grant funds received under the American Rescue Plan Act in response to the COVID-19 pandemic.

Other Special Revenue Fund – This fund is used to account for the activity of other special revenues funds that are not categorized within any of the other funds.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Chapter 90 Projects – This fund is used to account for the funds received from the State Highway Department, which are used for the construction, reconstruction and improvement of roadways.

General Capital Projects – This fund is used to account for the activity related to the acquisition and construction of capital assets.

Permanent Funds

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

Cemetery Perpetual Care – This fund is used to account for all contributions associated with cemetery care and maintenance.

Other Permanent Fund – This fund is used to account for all small permanent trusts that are not categorized within any of the other funds.

Town of Sudbury, Massachusetts

Nonmajor Governmental Funds
Combining Balance Sheet

June 30, 2025

	Special Revenue Funds								Capital Project Funds				Permanent Funds				Total Nonmajor Governmental Funds
	School Lunch	Affordable Housing	Revolving	Receipts Reserved for Appropriation	Town Grants	American Rescue Plan Act (ARPA)	Other Special Revenue	Subtotal	Chapter 90 Projects	General Capital Projects	Subtotal	Cemetery Perpetual Care	Other Permanent Fund	Subtotal			
ASSETS																	
Cash and cash equivalents.....	\$ 1,395,414	\$ 752,627	\$ 6,904,617	\$ 2,181,949	\$ 2,965,054	\$ 530,775	\$ 2,002,445	\$ 16,732,881	\$ 403,441	\$ 1,458,193	\$ 1,861,634	\$ 25,568	\$ 37,944	\$ 63,512	\$ 18,658,027		
Investments.....	-	118,298	-	-	-	-	-	118,298	-	-	-	1,512,951	482,224	1,995,175	2,113,473		
Departmental and other.....	-	-	-	628,180	-	-	206,595	834,775	-	-	-	-	-	-	-	834,775	
Intergovernmental.....	-	-	-	-	-	-	-	-	9,102	-	9,102	-	-	-	-	9,102	
TOTAL ASSETS.....	\$ 1,395,414	\$ 870,925	\$ 6,904,617	\$ 2,810,129	\$ 2,965,054	\$ 530,775	\$ 2,209,040	\$ 17,685,954	\$ 412,543	\$ 1,458,193	\$ 1,870,736	\$ 1,538,519	\$ 520,168	\$ 2,058,687	\$ 21,615,377		
LIABILITIES																	
Warrants payable.....	\$ -	\$ 63,224	\$ -	\$ 206,111	\$ 104,262	\$ 3,750	\$ 377,347	\$ -	\$ 30,787	\$ 30,787	\$ 8,400	\$ 4,967	\$ 13,367	\$ 421,501			
Accrued payroll.....	-	9,933	-	4,838	3,324	19,052	37,147	-	-	-	-	-	-	-	-	37,147	
Other liabilities.....	-	-	-	-	-	339,597	339,597	-	-	-	-	-	-	-	-	339,597	
Unearned revenue.....	-	-	-	-	423,189	-	423,189	412,543	-	412,543	-	-	-	-	-	835,732	
TOTAL LIABILITIES.....	-	73,157	-	210,949	530,775	362,399	1,177,280	412,543	30,787	443,330	8,400	4,967	13,367	1,633,977			
DEFERRED INFLOWS OF RESOURCES																	
Unavailable revenue.....	-	-	628,180	-	-	206,595	834,775	-	-	-	-	-	-	-	-	834,775	
FUND BALANCES																	
Nonspendable.....	-	-	-	-	-	-	-	-	-	-	-	1,027,740	267,152	1,294,892	1,294,892		
Restricted.....	1,395,414	870,925	6,831,460	2,181,949	2,754,105	-	1,640,046	15,673,899	-	1,427,406	1,427,406	502,379	248,049	750,428	17,851,733		
TOTAL FUND BALANCES.....	1,395,414	870,925	6,831,460	2,181,949	2,754,105	-	1,640,046	15,673,899	-	1,427,406	1,427,406	1,530,119	515,201	2,045,320	19,146,625		
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 1,395,414	\$ 870,925	\$ 6,904,617	\$ 2,810,129	\$ 2,965,054	\$ 530,775	\$ 2,209,040	\$ 17,685,954	\$ 412,543	\$ 1,458,193	\$ 1,870,736	\$ 1,538,519	\$ 520,168	\$ 2,058,687	\$ 21,615,377		

Town of Sudbury, Massachusetts
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2025

	Special Revenue Funds								Capital Project Funds				Permanent Funds			Total Nonmajor Governmental Funds
	School Lunch	Affordable Housing	Revolving	Receipts Reserved for Appropriation	Town Grants	American Rescue Plan Act (ARPA)	Other Special Revenue	Subtotal	Chapter 90 Projects	General Capital Projects	Subtotal	Cemetery Perpetual Care	Other Permanent Fund	Subtotal		
REVENUES:																
Intergovernmental.....	\$ 1,447,217	\$ -	\$ 103,950	\$ -	\$ 4,464,441	\$ 1,165,095	\$ -	\$ 7,180,703	\$ 1,715,892	\$ -	\$ 1,715,892	\$ -	\$ -	\$ -	\$ 8,896,595	
Departmental and other.....	49,953	33,609	3,049,406	1,015,615	6,300	-	1,012,130	5,167,013	-	-	-	-	-	-	-	5,167,013
Contributions and donations.....	-	-	3,403	3,538	6,793	-	43,835	57,569	-	115,650	115,650	14,213	1,666	15,879	189,098	
Investment income.....	-	11,268	-	-	294	-	721	12,283	-	-	-	166,807	55,490	222,297	234,580	
TOTAL REVENUES.....	1,497,170	44,877	3,156,759	1,019,153	4,477,828	1,165,095	1,056,686	12,417,568	1,715,892	115,650	1,831,542	181,020	57,156	238,176	14,487,286	
EXPENDITURES:																
Current:																
General government.....	-	-	247,104	4,320	469,554	177,720	379,408	1,278,106	-	14,972	14,972	-	862	862	1,293,940	
Public safety.....	-	-	64,081	-	120,457	84,512	481,859	750,909	-	9,782	9,782	-	-	-	760,691	
Education.....	1,081,843	-	1,371,598	-	2,217,111	492,797	100,477	5,263,826	-	3,750	3,750	-	-	-	5,267,576	
Public works.....	-	-	687,266	-	146,203	199,350	5,343	1,038,162	1,715,892	1,253,960	2,969,852	68,800	-	68,800	4,076,814	
Health and human services.....	-	-	171,716	-	578,732	35,183	5,091	790,722	-	-	-	-	-	-	790,722	
Culture and recreation.....	-	-	506,620	-	62,667	175,533	-	744,820	-	-	-	-	31,879	31,879	776,699	
Community preservation.....	-	108,322	-	-	-	-	-	108,322	-	-	-	-	-	-	108,322	
TOTAL EXPENDITURES.....	1,081,843	108,322	3,048,385	4,320	3,594,724	1,165,095	972,178	9,974,867	1,715,892	1,282,464	2,998,356	68,800	32,741	101,541	13,074,764	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	415,327	(63,445)	108,374	1,014,833	883,104	-	84,508	2,442,701	-	(1,166,814)	(1,166,814)	112,220	24,415	136,635	1,412,522	
OTHER FINANCING SOURCES (USES):																
Transfers in.....	-	672,000	-	-	-	-	-	672,000	-	-	-	-	-	-	672,000	
Transfers out.....	-	-	(44,494)	(780,000)	(35,073)	-	(3,490)	(863,057)	-	(184,152)	(184,152)	-	-	-	(1,047,209)	
NET CHANGE IN FUND BALANCES.....	415,327	608,555	63,880	234,833	848,031	-	81,018	2,251,644	-	(1,350,966)	(1,350,966)	112,220	24,415	136,635	1,037,313	
FUND BALANCES AT 6/30/24, AS PREVIOUSLY REPORTED.....	980,087	262,370	6,767,580	1,947,116	1,906,074	-	1,559,028	13,422,255	-	-	-	1,417,899	490,786	1,908,685	15,330,940	
ADJUSTMENT - CHANGE FROM MAJOR TO NONMAJOR FUND.....	-	-	-	-	-	-	-	-	-	2,778,372	2,778,372	-	-	-	2,778,372	
FUND BALANCES AT 6/30/24, AS ADJUSTED.....	980,087	262,370	6,767,580	1,947,116	1,906,074	-	1,559,028	13,422,255	-	2,778,372	2,778,372	1,417,899	490,786	1,908,685	18,109,312	
FUND BALANCES AT END OF YEAR.....	\$ 1,395,414	\$ 870,925	\$ 6,831,460	\$ 2,181,949	\$ 2,754,105	\$ -	\$ 1,640,046	\$ 15,673,899	\$ -	\$ 1,427,406	\$ 1,427,406	\$ 1,530,119	\$ 515,201	\$ 2,045,320	\$ 19,146,625	

Nonmajor Enterprise Funds

Swimming Pool Enterprise Fund – This fund is used to account for recreational swimming pool activities.

Transfer Station Enterprise Fund – This fund is used to account for transfer station activities.

Recreation Field Maintenance Enterprise Fund – This fund is used to account for recreational field maintenance activities.

Town of Sudbury, Massachusetts

Nonmajor Enterprise Funds
Combining Statement of Net Position

June 30, 2025

	Business-type Activities - Enterprise Funds			
	Swimming Pool	Transfer Station	Recreation Field Maintenance	Total Nonmajor Enterprise Funds
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 644,094	\$ 367,963	\$ 123,418	\$ 1,135,475
NONCURRENT:				
Capital assets, nondepreciable.....	62,716	192,500	-	255,216
Capital assets, net of accumulated depreciation.....	429,350	11,780	-	441,130
Total noncurrent assets.....	492,066	204,280	-	696,346
TOTAL ASSETS.....	1,136,160	572,243	123,418	1,831,821
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions.....	25,610	13,988	14,466	54,064
Deferred outflows related to OPEB.....	6,246	851	1,953	9,050
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	31,856	14,839	16,419	63,114
LIABILITIES				
CURRENT:				
Warrants payable.....	9,211	11,910	6,164	27,285
Accrued payroll.....	4,115	3,572	2,392	10,079
Compensated absences.....	2,875	584	1,174	4,633
Total current liabilities.....	16,201	16,066	9,730	41,997
NONCURRENT:				
Compensated absences.....	25,871	5,259	10,566	41,696
Net pension liability.....	430,100	234,915	242,940	907,955
Net OPEB liability.....	79,097	10,780	24,734	114,611
Total noncurrent liabilities.....	535,068	250,954	278,240	1,064,262
TOTAL LIABILITIES.....	551,269	267,020	287,970	1,106,259
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions.....	9,717	5,307	5,489	20,513
Deferred inflows related to OPEB.....	49,160	6,700	15,373	71,233
TOTAL DEFERRED INFLOWS OF RESOURCES.....	58,877	12,007	20,862	91,746
NET POSITION				
Net investment in capital assets.....	492,066	204,280	-	696,346
Unrestricted.....	65,804	103,775	(168,995)	584
TOTAL NET POSITION.....	\$ 557,870	\$ 308,055	\$ (168,995)	\$ 696,930

Town of Sudbury, Massachusetts

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Swimming Pool	Transfer Station	Recreation Field Maintenance	Total Nonmajor Enterprise Funds
OPERATING REVENUES:				
Charges for services.....	\$ 509,240	\$ 303,194	\$ 242,896	\$ 1,055,330
OPERATING EXPENSES:				
Cost of services and administration.....	505,471	289,102	245,643	1,040,216
Depreciation.....	37,037	620	-	37,657
TOTAL OPERATING EXPENSES.....	<u>542,508</u>	<u>289,722</u>	<u>245,643</u>	<u>1,077,873</u>
OPERATING INCOME (LOSS).....	<u>(33,268)</u>	<u>13,472</u>	<u>(2,747)</u>	<u>(22,543)</u>
TRANSFERS:				
Transfers out.....	-	-	(10,500)	(10,500)
CHANGE IN NET POSITION.....	(33,268)	13,472	(13,247)	(33,043)
NET POSITION AT 6/30/24, AS PREVIOUSLY REPORTED.....	-	-	-	-
ADJUSTMENT - CHANGE FROM MAJOR TO NONMAJOR FUND.....	<u>591,138</u>	<u>294,583</u>	<u>(155,748)</u>	<u>729,973</u>
NET POSITION AT 6/30/24, AS ADJUSTED.....	<u>591,138</u>	<u>294,583</u>	<u>(155,748)</u>	<u>729,973</u>
NET POSITION AT END OF YEAR.....	<u>\$ 557,870</u>	<u>\$ 308,055</u>	<u>\$ (168,995)</u>	<u>\$ 696,930</u>

Town of Sudbury, Massachusetts

Nonmajor Enterprise Funds
Combining Statement of Cash Flows

Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Swimming Pool	Transfer Station	Recreation Field Maintenance	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users.....	\$ 509,240	\$ 311,644	\$ 242,896	\$ 1,063,780
Payments to vendors.....	(144,631)	(152,711)	(55,386)	(352,728)
Payments to employees.....	(279,550)	(156,537)	(165,129)	(601,216)
NET CASH FROM OPERATING ACTIVITIES.....	<u>85,059</u>	<u>2,396</u>	<u>22,381</u>	<u>109,836</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers out.....	-	-	(10,500)	(10,500)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets.....	(106,095)	(12,400)	-	(118,495)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u>(21,036)</u>	<u>(10,004)</u>	<u>11,881</u>	<u>(19,159)</u>
CASH AND CASH EQUIVALENTS AT 6/30/24, AS PREVIOUSLY REPORTED.....	-	-	-	-
ADJUSTMENT - CHANGE FROM MAJOR TO NONMAJOR FUND.....	<u>665,130</u>	<u>377,967</u>	<u>111,537</u>	<u>1,154,634</u>
CASH AND CASH EQUIVALENTS AT 6/30/24, AS ADJUSTED.....	<u>665,130</u>	<u>377,967</u>	<u>111,537</u>	<u>1,154,634</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 644,094</u>	<u>\$ 367,963</u>	<u>\$ 123,418</u>	<u>\$ 1,135,475</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (33,268)	\$ 13,472	\$ (2,747)	\$ (22,543)
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation.....	37,037	620	-	37,657
Deferred (outflows)/inflows related to pensions.....	4,809	5,272	4,656	14,737
Deferred (outflows)/inflows related to OPEB.....	(14,585)	(1,987)	(3,290)	(19,862)
Changes in assets and liabilities:				
Departmental and other.....	-	8,450	-	8,450
Warrants payable.....	4,326	(18,288)	3,810	(10,152)
Accrued payroll.....	2,299	1,298	473	4,070
Compensated absences.....	11,747	1,855	11,740	25,342
Net pension liability.....	68,372	(8,885)	4,736	64,223
Net OPEB liability.....	4,322	589	3,003	7,914
Total adjustments.....	<u>118,327</u>	<u>(11,076)</u>	<u>25,128</u>	<u>132,379</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 85,059</u>	<u>\$ 2,396</u>	<u>\$ 22,381</u>	<u>\$ 109,836</u>

This page intentionally left blank.

Statistical Section



Sudbury Town Hall

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Town of Sudbury, Massachusetts

Net Position by Component

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets.....	\$ 75,723,325	\$ 83,392,412	\$ 83,825,266	\$ 88,816,801	\$ 92,401,216	\$ 94,646,039	\$ 97,706,169	\$ 100,098,226	\$ 106,706,327	\$ 109,843,738
Restricted.....	14,001,170	9,271,513	11,108,868	9,433,178	10,490,517	12,431,562	14,113,790	15,333,129	15,916,659	32,513,193
Unrestricted.....	<u>(41,554,785)</u>	<u>(72,517,200)</u>	<u>(74,085,645)</u>	<u>(77,253,672)</u>	<u>(86,809,152)</u>	<u>(93,243,811)</u>	<u>(91,364,959)</u>	<u>(89,182,323)</u>	<u>(85,893,866)</u>	<u>(97,430,305)</u>
Total governmental activities net position.....	\$ 48,169,710	\$ 20,146,725	\$ 20,848,489	\$ 20,996,307	\$ 16,082,581	\$ 13,833,790	\$ 20,455,000	\$ 26,249,032	\$ 36,729,120	\$ 44,926,626
Business-type activities										
Net investment in capital assets.....	\$ 1,112,014	\$ 1,030,608	\$ 950,561	\$ 870,514	\$ 790,467	\$ 746,728	\$ 702,989	\$ 659,250	\$ 615,508	\$ 696,346
Unrestricted.....	<u>(544,919)</u>	<u>(760,629)</u>	<u>(660,998)</u>	<u>(820,041)</u>	<u>(865,851)</u>	<u>(552,750)</u>	<u>(270,963)</u>	<u>(185,675)</u>	<u>114,465</u>	<u>584</u>
Total business-type activities net position.....	\$ 567,095	\$ 269,979	\$ 289,563	\$ 50,473	\$ (75,384)	\$ 193,978	\$ 432,026	\$ 473,575	\$ 729,973	\$ 696,930
Primary government										
Net investment in capital assets.....	\$ 76,835,339	\$ 84,423,020	\$ 84,775,827	\$ 89,687,315	\$ 93,191,683	\$ 95,392,767	\$ 98,409,158	\$ 100,757,476	\$ 107,321,835	\$ 110,540,084
Restricted.....	14,001,170	9,271,513	11,108,868	9,433,178	10,490,517	12,431,562	14,113,790	15,333,129	15,916,659	32,513,193
Unrestricted.....	<u>(42,099,704)</u>	<u>(73,277,829)</u>	<u>(74,746,643)</u>	<u>(78,073,713)</u>	<u>(87,675,003)</u>	<u>(93,796,561)</u>	<u>(91,635,922)</u>	<u>(89,367,998)</u>	<u>(85,779,401)</u>	<u>(97,429,721)</u>
Total primary government net position.....	\$ 48,736,805	\$ 20,416,704	\$ 21,138,052	\$ 21,046,780	\$ 16,007,197	\$ 14,027,768	\$ 20,887,026	\$ 26,722,607	\$ 37,459,093	\$ 45,623,556

* The Town implemented GASB Statement #75 in fiscal year 2018 and revised the fiscal year 2017 balance to reflect the net OPEB liability being recorded for the first time.

* The Town implemented GASB Statement #84, Fiduciary Activities in 2021 which required the 2020 governmental net position to be revised.

Town of Sudbury, Massachusetts

Changes in Net Position

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government.....	\$ 4,048,396	\$ 4,887,644	\$ 6,602,094	\$ 5,918,420	\$ 5,906,285	\$ 6,951,219	\$ 5,966,036	\$ 6,492,684	\$ 7,079,143	\$ 6,359,617
Public safety.....	10,968,017	11,533,488	11,875,217	12,891,246	14,735,194	15,493,762	13,169,881	14,151,127	15,028,771	14,840,429
Education.....	75,005,571	80,495,857	82,076,976	87,132,949	94,728,542	99,251,217	88,851,266	94,636,623	97,426,681	103,677,483
Public works.....	8,817,554	8,238,262	9,386,393	8,229,955	8,926,891	9,721,420	8,148,055	9,435,495	9,417,212	11,257,360
Community preservation.....	547,875	407,813	338,891	663,553	267,788	757,071	422,114	456,533	491,123	499,843
Health and human services.....	1,495,223	1,434,376	1,497,603	1,628,608	1,675,763	1,654,070	1,588,051	1,715,162	2,038,416	2,088,992
Culture and recreation.....	2,934,658	2,799,670	2,795,788	2,797,959	2,869,264	2,573,101	2,459,211	2,633,722	2,682,663	3,002,317
Interest.....	1,003,112	850,668	805,372	647,490	474,513	1,047,122	670,441	441,185	1,972,123	1,786,027
Total government activities expenses.....	104,820,406	110,647,778	115,378,334	119,910,180	129,584,240	137,448,982	121,275,055	129,962,531	136,136,132	143,512,068
Business-type activities:										
Swimming pool.....	572,679	560,699	484,694	564,572	362,602	405,372	334,151	352,841	233,432	1,077,873
Transfer station.....	356,787	346,160	334,099	385,933	242,665	320,907	294,598	267,278	234,592	-
Recreation field maintenance.....	247,115	264,340	212,255	229,624	145,536	184,278	200,705	232,454	209,139	-
Total business-type activities expenses.....	1,176,581	1,171,199	1,031,048	1,180,129	750,803	910,557	829,454	852,573	677,163	1,077,873
Total primary government expenses.....	\$ 105,996,987	\$ 111,818,977	\$ 116,409,382	\$ 121,090,309	\$ 130,335,043	\$ 138,359,539	\$ 122,104,509	\$ 130,815,104	\$ 136,813,295	\$ 144,589,941
Program Revenues										
Governmental activities:										
General government charges for services.....	\$ 1,268,289	\$ 225,863	\$ 582,225	\$ 583,005	\$ 710,959	\$ 1,074,329	\$ 1,382,409	\$ 1,447,820	\$ 1,414,975	\$ 1,415,042
Education charges for services.....	1,259,179	1,483,208	1,313,820	1,556,852	1,219,390	691,861	1,307,305	1,463,005	1,558,124	1,562,602
Other charges for services.....	2,658,217	3,298,261	3,943,295	3,470,787	2,615,745	2,922,370	3,666,116	3,741,009	4,268,943	3,639,092
Operating grants and contributions.....	13,587,012	10,495,915	13,123,543	12,013,671	15,984,725	19,840,778	11,441,564	13,497,699	15,163,671	13,976,645
Capital grants and contributions.....	2,828,635	982,063	1,085,456	1,754,155	548,098	1,539,365	1,782,924	1,607,104	2,310,330	2,846,161
Total government activities program revenues.....	21,601,332	16,485,310	20,048,339	19,378,470	21,078,917	26,068,703	19,580,318	21,756,637	24,716,043	23,439,542
Business-type activities:										
Swimming pool charges for services.....	535,355	486,309	478,401	443,086	303,046	539,201	479,855	403,329	413,943	1,055,330
Transfer station charges for services.....	290,909	385,369	352,734	284,834	245,861	233,961	315,937	284,604	324,276	-
Recreation field maintenance charges for services.....	171,704	180,327	217,687	209,934	86,539	217,257	271,710	216,689	205,842	-
Operating grants and contributions.....	914	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues.....	998,882	1,052,005	1,048,822	937,854	635,446	990,419	1,067,502	904,622	944,061	1,055,330
Total primary government program revenues.....	\$ 22,600,214	\$ 17,537,315	\$ 21,097,161	\$ 20,316,324	\$ 21,714,363	\$ 27,059,122	\$ 20,647,820	\$ 22,661,259	\$ 25,660,104	\$ 24,494,872
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (83,219,074)	\$ (94,162,468)	\$ (95,329,995)	\$ (100,531,710)	\$ (108,505,323)	\$ (111,380,279)	\$ (101,694,737)	\$ (108,205,894)	\$ (111,420,089)	\$ (120,072,526)
Business-type activities.....	\$ (177,699)	\$ (119,194)	\$ 17,774	\$ (242,275)	\$ (115,357)	\$ 79,862	\$ 238,048	\$ 52,049	\$ 266,898	\$ (22,543)
Total primary government net (expense)/program revenue.....	\$ (83,396,773)	\$ (94,281,662)	\$ (95,312,221)	\$ (100,773,985)	\$ (108,620,680)	\$ (111,300,417)	\$ (101,456,689)	\$ (108,153,845)	\$ (111,153,191)	\$ (120,095,069)

(Continued)

Town of Sudbury, Massachusetts

Changes in Net Position

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 76,224,990	\$ 80,326,042	\$ 82,992,362	\$ 86,386,933	\$ 89,285,488	\$ 92,412,900	\$ 95,045,900	\$ 98,762,980	\$ 104,976,065	\$ 109,145,517
Tax and other liens.....	- 180,976	- 151,147	- 203,432	- 223,956	- 79,895	- 133,575	- 160,167	- 207,570	- 169,305	
Motor vehicle and other excise taxes.....	3,919,447	3,861,189	4,138,186	4,314,739	4,355,860	4,059,820	4,190,308	4,588,534	4,843,734	5,354,593
Penalties and interest on taxes.....	306,133	329,083	208,289	284,241	378,737	388,642	328,291	400,916	387,737	321,784
Payment in lieu of taxes.....	48,783	7,350	83,613	61,537	12,347	78,493	40,450	51,296	12,116	12,069
Community preservation taxes.....	1,758,188	1,842,032	1,928,868	2,003,914	2,100,691	2,152,845	2,232,661	2,377,855	2,557,909	2,661,339
Grants and contributions not restricted to specific programs.....	1,374,751	6,395,091	6,607,480	6,634,232	6,823,597	6,840,237	6,800,683	7,055,572	7,354,435	7,548,419
Unrestricted investment income (loss).....	21,667	225,745	273,466	438,848	391,517	398,156	(455,921)	592,106	1,550,111	3,046,506
Gain on sale of capital assets.....	-	-	-	-	-	2,910,000	-	-	-	-
Transfers.....	39,127	-	-	-	10,500	(189,500)	-	10,500	10,500	10,500
Total governmental activities.....	83,693,086	93,167,508	96,383,411	100,327,876	103,582,693	109,131,488	108,315,947	113,999,926	121,900,177	128,270,032
Business-type activities:										
Unrestricted investment income.....	-	1,304	1,810	3,185	-	-	-	-	-	-
Transfers.....	(39,127)	-	-	-	(10,500)	189,500	189,500	(10,500)	(10,500)	(10,500)
Total business-type activities.....	(39,127)	1,304	1,810	3,185	(10,500)	189,500	189,500	(10,500)	(10,500)	(10,500)
Total primary government general revenues and other changes in net positions.....	\$ 83,653,959	\$ 93,168,812	\$ 96,385,221	\$ 100,331,061	\$ 103,572,193	\$ 109,320,988	\$ 108,505,447	\$ 113,989,426	\$ 121,889,677	\$ 128,259,532
Changes in Net Position										
Governmental activities.....	\$ 474,012	\$ (994,960)	\$ 1,053,416	\$ (203,834)	\$ (4,922,630)	\$ (2,248,791)	\$ 6,621,210	\$ 5,794,032	\$ 10,480,088	\$ 8,197,506
Business-type activities.....	(216,826)	(117,890)	19,584	(239,090)	(125,857)	269,362	238,048	41,549	256,398	(33,043)
Total primary government changes in net position.....	\$ 257,186	\$ (1,112,850)	\$ 1,073,000	\$ (442,924)	\$ (5,048,487)	\$ (1,979,429)	\$ 6,859,258	\$ 5,835,581	\$ 10,736,486	\$ 8,164,463

(Concluded)

Town of Sudbury, Massachusetts

Fund Balances, Governmental Funds

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted.....	\$ 5,624,580	\$ 330,853	\$ 351,652	\$ 355,164	\$ 358,492	\$ 134,177	\$ 128,376	\$ 140,186	\$ 153,510	\$ 161,649
Committed.....	2,372,996	2,474,734	2,130,571	3,072,549	2,080,526	5,147,141	6,965,364	9,144,645	7,928,856	6,099,988
Assigned.....	1,058,893	1,167,752	2,369,021	875,787	764,428	1,111,739	441,108	485,370	685,298	1,840,800
Unassigned.....	3,479,922	9,873,780	9,812,217	12,546,783	15,541,044	15,286,033	13,290,423	12,710,652	16,923,228	22,256,786
Total general fund.....	\$ 12,536,391	\$ 13,847,119	\$ 14,663,461	\$ 16,850,283	\$ 18,744,490	\$ 21,679,090	\$ 20,825,271	\$ 22,480,853	\$ 25,690,892	\$ 30,359,223
All Other Governmental Funds										
Nonspendable.....	\$ 1,133,605	\$ 1,163,154	\$ 1,163,154	\$ 1,180,254	\$ 1,187,792	\$ 1,207,892	\$ 1,237,179	\$ 1,254,167	\$ 1,278,542	\$ 1,294,892
Restricted.....	11,545,492	13,770,514	17,008,468	15,698,833	16,632,972	20,888,440	24,298,547	25,970,820	28,754,152	31,036,488
Committed.....	43,405	-	-	-	-	-	-	-	-	-
Unassigned.....	-	-	-	-	(1,920,132)	(1,122,755)	(2,879,956)	(25,096,535)	-	-
Total all other governmental funds...	\$ 12,722,502	\$ 14,933,668	\$ 18,171,622	\$ 16,879,087	\$ 15,900,632	\$ 20,973,577	\$ 22,655,770	\$ 2,128,452	\$ 30,032,694	\$ 32,331,380

* The Town implemented GASB Statement #84, Fiduciary Activities in 2021 which required the 2020 governmental net position to be revised.

Town of Sudbury, Massachusetts

Changes in Fund Balances, Governmental Funds

Last Ten Years

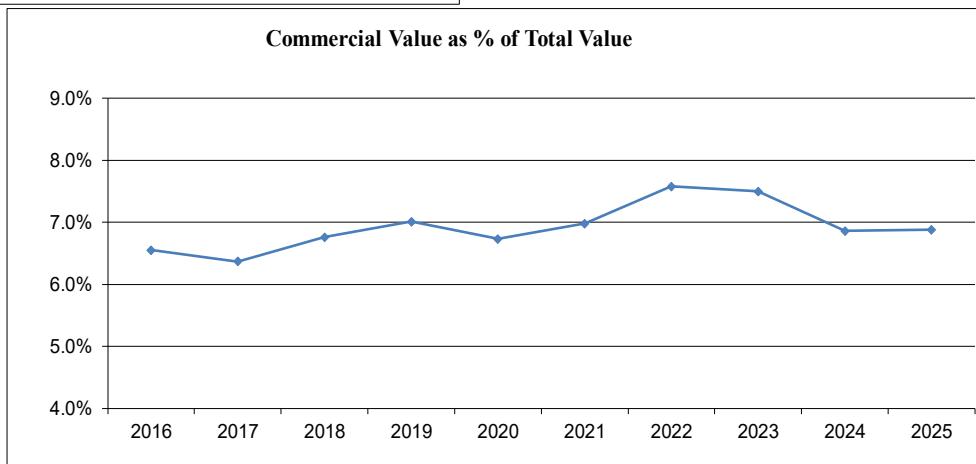
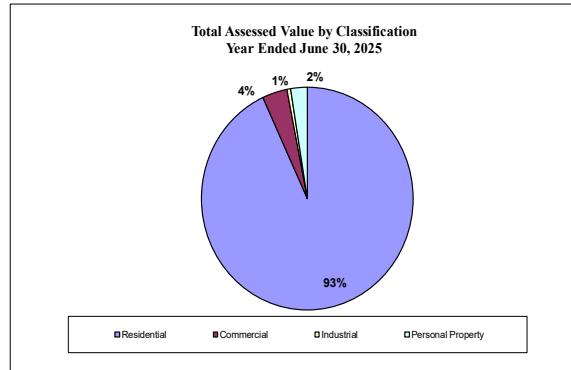
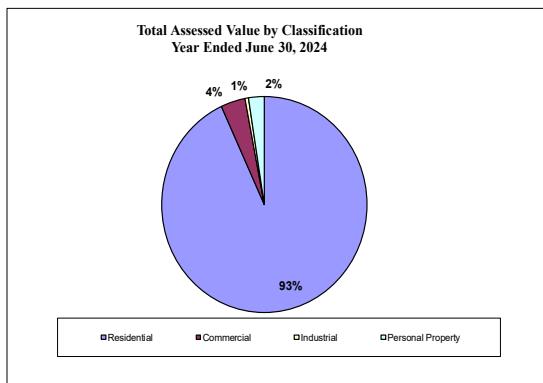
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 76,420,221	\$ 80,435,678	\$ 82,385,311	\$ 86,498,484	\$ 88,923,845	\$ 93,012,980	\$ 95,023,032	\$ 98,638,533	\$ 105,538,743	\$ 109,160,068
Motor vehicle and other excise taxes.....	3,702,251	4,044,745	4,071,435	4,263,360	3,895,034	4,126,084	4,553,005	4,461,635	4,863,269	5,356,507
Tax liens.....	202,152	104,819	64,953	115,256	223,956	79,895	133,575	160,167	207,570	169,305
Payments in lieu of taxes.....	48,783	7,350	83,613	61,537	12,347	78,493	40,450	51,296	12,116	12,069
Community preservation taxes.....	1,756,562	1,844,752	1,917,476	2,005,675	2,085,433	2,166,545	2,232,495	2,381,654	2,553,632	2,666,183
Intergovernmental.....	13,086,130	18,876,071	21,014,817	20,549,130	24,721,972	27,794,432	19,302,626	21,111,316	25,886,959	24,138,800
Penalties and interest on taxes.....	306,133	291,741	208,289	284,241	378,737	388,642	328,291	400,916	387,737	321,784
Licenses and permits.....	819,242	1,147,063	1,553,193	1,159,863	748,076	1,191,378	1,129,923	1,313,248	1,037,423	1,199,878
Fines and forfeitures.....	63,083	37,342	37,711	36,418	25,569	14,631	12,092	15,876	16,659	18,008
Departmental and other.....	4,297,707	4,273,848	4,100,809	4,304,546	3,765,773	3,858,502	5,573,064	5,858,244	6,299,042	6,000,069
Contributions.....	243,641	252,661	608,826	967,495	336,968	1,151,174	208,321	280,642	123,055	189,098
Interest income (loss).....	125,650	225,745	273,466	438,848	391,517	398,156	(455,921)	592,106	1,550,111	3,046,506
 Total Revenue.....	 101,071,555	 111,541,815	 116,319,899	 120,684,853	 125,509,227	 134,261,512	 128,080,953	 135,265,633	 148,476,316	 152,278,275
 Expenditures:										
General government.....	3,732,597	3,498,506	5,093,683	5,246,989	19,450,048	6,291,146	4,632,750	4,962,728	5,673,159	5,267,338
Public safety.....	11,808,341	8,174,832	8,707,893	8,852,263	9,926,681	10,290,070	10,816,662	13,705,277	13,794,117	11,030,587
Education.....	61,131,536	62,385,862	62,579,469	66,761,974	69,191,990	71,072,769	73,543,810	76,177,744	79,669,038	81,355,048
Public works.....	9,191,644	6,521,352	7,366,387	7,055,720	8,908,199	7,566,386	10,283,326	30,272,459	21,816,979	12,742,252
Community preservation.....	-	407,813	338,891	3,308,635	267,788	839,789	441,859	496,457	1,085,467	1,078,541
Health and human services.....	1,158,185	1,043,930	1,079,532	1,161,178	1,213,786	1,196,022	1,285,143	1,402,136	1,756,781	1,787,158
Culture and recreation.....	2,561,484	2,116,894	2,109,081	2,624,419	2,148,013	1,666,666	1,931,771	1,965,163	2,343,722	2,435,912
Pension benefits.....	3,738,774	11,582,320	12,463,856	12,586,537	15,389,110	17,330,211	11,814,214	13,337,505	14,674,863	13,826,171
Employee benefits.....	6,098,164	6,949,924	7,337,462	7,376,116	7,711,290	8,211,070	8,355,812	8,728,958	8,554,761	9,352,538
Property and liability insurance.....	272,418	301,610	312,058	328,256	339,148	400,332	420,735	449,118	484,891	535,798
State and county charges.....	197,943	192,255	205,840	209,519	263,334	296,897	296,146	238,389	260,525	262,046
Debt service:										
Principal.....	3,762,321	3,720,041	3,688,057	3,426,950	3,505,343	3,534,621	2,628,908	2,468,503	2,483,116	3,592,845
Interest.....	1,266,881	1,124,582	1,046,207	852,010	725,292	1,037,000	801,443	725,550	1,600,659	2,055,524
 Total Expenditures.....	 104,920,288	 108,019,921	 112,328,416	 119,790,566	 139,040,022	 129,732,979	 127,252,579	 154,929,987	 154,198,078	 145,321,758
 Excess of revenues over (under) expenditures.....	 (3,848,733)	 3,521,894	 3,991,483	 894,287	 (13,530,795)	 4,528,533	 828,374	 (19,664,354)	 (5,721,762)	 6,956,517
 Other Financing Sources (Uses)										
Issuance of bonds.....	-	-	-	-	14,530,000	2,030,000	-	500,000	34,780,000	-
Issuance of refunding bonds - advanced refunding.....	-	-	-	-	-	-	2,085,000	-	-	-
Issuance of refunding bonds - current refunding.....	-	-	2,640,000	-	-	905,000	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	94,011	638,512	-	282,118	2,045,543	-
Premium from issuance of refunding bonds - advanced refunding....	-	-	-	-	-	20,000	-	-	-	-
Premium from issuance of refunding bonds - current refunding....	-	-	172,813	-	-	95,000	-	-	-	-
Payments to refunded bond escrow agent - advanced refunding....	-	-	-	-	-	(2,105,000)	-	-	-	-
Payments to refunded bond escrow agent - current refunding....	-	-	(2,750,000)	-	-	(1,000,000)	-	-	-	-
Transfers in.....	1,246,311	2,459,512	1,451,315	2,118,638	1,251,306	2,528,875	2,551,075	1,024,759	4,766,886	1,729,709
Transfers out.....	(6,445,898)	(2,459,512)	(1,451,315)	(2,118,638)	(1,240,806)	(2,718,375)	(2,551,075)	(1,014,259)	(4,756,386)	(1,719,209)
 Total other financing sources (uses).....	 (5,199,587)	 -	 62,813	 -	 14,634,511	 3,479,012	 -	 792,618	 36,836,043	 10,500
 Net change in fund balance.....	 \$ (9,048,320)	 \$ 3,521,894	 \$ 4,054,296	 \$ 894,287	 \$ 1,103,716	 \$ 8,007,545	 \$ 828,374	 \$ (18,871,736)	 \$ 31,114,281	 \$ 6,967,017
 Debt service as a percentage of noncapital expenditures.....	 5.24%	 4.55%	 1.80%	 3.78%	 3.57%	 3.64%	 2.83%	 2.51%	 3.02%	 4.09%

Town of Sudbury, Massachusetts

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

Last Ten Years

Year	Assessed and Actual Values and Tax Rates										Total Town Value
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate			
2016	\$ 3,953,667,699	\$ 17.80	\$ 153,832,208	\$ 52,641,600	\$ 70,742,800	\$ 277,216,608	\$ 25.11	\$ 18.28	\$ 4,230,884,307		
2017	4,128,077,415	17.74	161,710,160	28,896,800	90,269,320	280,876,280	25.01	18.20	4,408,953,695		
2018	4,252,412,677	17.93	172,317,688	29,891,300	106,053,550	308,262,538	24.30	18.36	4,560,675,215		
2019	4,396,808,625	17.91	189,613,218	30,823,000	111,118,740	331,554,958	24.30	18.36	4,728,363,583		
2020	4,451,809,500	18.45	179,424,076	30,823,000	111,016,580	321,263,656	24.97	18.89	4,773,073,156		
2021	4,476,309,078	18.83	193,733,270	32,737,300	109,526,080	335,996,650	25.55	19.30	4,812,305,728		
2022	4,804,601,288	18.05	215,023,558	34,203,500	144,636,520	393,863,578	24.57	18.54	5,198,464,866		
2023	5,708,346,257	15.77	269,234,148	38,246,300	155,200,260	462,680,708	20.23	16.10	6,171,026,965		
2024	6,528,068,698	14.61	268,293,396	39,102,700	173,473,820	480,869,916	21.16	15.06	7,008,938,614		
2025	6,790,843,084	14.64	276,917,020	41,374,300	183,553,167	501,844,487	21.04	15.08	7,292,687,571		



Source: Assessor's Department, Town of Sudbury

All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

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

Town of Sudbury, Massachusetts

Principal Taxpayers

Current Year and Nine Years Ago

Name	Property Type	2025			2016		
		Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
NSTAR Electric & Gas Company	Utility	\$ 122,571,953	1	1.68%	\$ 36,228,395	1	0.86%
Sudbury Avalon Inc.	Housing	\$ 63,391,325	2	0.87%			
Chiswick Park LLC	Manufacturer	\$ 29,622,200	3	0.41%			
Herb Chambers	Auto Dealership	\$ 25,848,900	4	0.35%			
Boston Gas Company	Utility	\$ 24,597,320	5	0.34%	\$ 8,444,006	8	0.20%
The Apartments at Cold Brook	Housing	\$ 22,041,700	6	0.30%			
BPR Development LLC	Housing	\$ 17,681,000	7	0.24%			
TA Sudbury LLC	Shopping Center	\$ 14,382,000	8	0.20%			
Sudbury Research Center LLC	Research & Development	\$ 13,937,200	9	0.19%			
Sudbury Crossing, Ltd	Shopping Center	\$ 12,039,500	10	0.17%	\$ 10,960,892	4	0.26%
Raytheon Corporation	Research & Development				\$ 25,218,996	2	0.60%
Paris Trust LLC	Manufacturer				\$ 13,262,206	3	0.31%
Verizon	Utility				\$ 10,890,800	5	0.26%
Wellyn Inc.	Manufacturer				\$ 8,912,505	6	0.21%
PRI Longfellow Glen LLC	Housing				\$ 12,254,775	7	0.29%
Stanmar/Snider	Auto Dealership				\$ 7,064,715	9	0.17%
Richard J. Bosse Holdings LLC	Health Club				\$ 6,384,906	10	0.15%
Totals		\$ 346,113,098		4.75%	\$ 139,622,196		3.30%

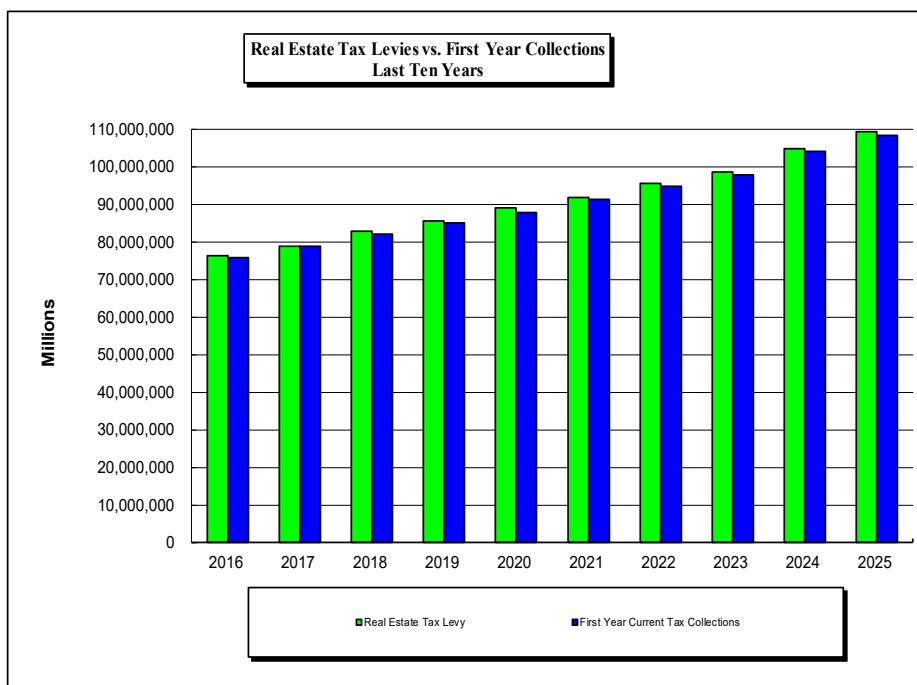
Source: Official Statement for Sale of Bonds

Town of Sudbury, Massachusetts

Property Tax Levies and Collections

Last Ten Years

Year									(2) Percent of Total Tax Collections to Net Tax Levy	
	(1) Total Tax Levy	Less Abatements & Exemptions	(1) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections			
2016	\$ 76,997,530	\$ 561,430	\$ 76,436,100	\$ 75,768,929	99.13%	\$ 614,187	\$ 76,383,116	99.93%		
2017	79,892,487	984,546	78,907,941	78,956,353	100.06%	352,595	79,308,948	100.51%		
2018	83,323,444	584,388	82,739,056	82,147,081	99.28%	664,381	82,811,462	100.09%		
2019	86,384,635	726,568	85,658,067	85,188,157	99.45%	625,877	85,814,034	100.18%		
2020	89,733,894	627,195	89,106,699	87,853,592	98.59%	1,279,659	89,133,251	100.03%		
2021	92,444,615	478,211	91,966,404	91,366,955	99.35%	590,090	91,957,045	99.99%		
2022	95,995,345	430,850	95,564,495	94,862,799	99.27%	744,452	95,607,251	100.04%		
2023	99,049,388	446,897	98,602,491	97,774,029	99.16%	655,576	98,429,605	99.82%		
2024	105,189,118	431,252	104,757,866	104,079,441	99.35%	465,504	104,544,945	99.80%		
2025	109,643,754	347,910	109,295,844	108,417,656	99.20%	-	108,417,656	99.20%		



(1) Includes tax liens.

(2) If the actual abatements and exemptions are lower than the estimate the actual collections can exceed the net levy.

Source: Assessor's Department, Town of Sudbury

Town of Sudbury, Massachusetts

Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities					Percentage of Personal Income	U.S. Census Population	Total Debt Per Capita
	General Obligation Bonds	Direct Borrowings Payable	Leases	Total Debt Outstanding				
2016	\$ 32,903,010	\$ -	\$ 352,275	\$ 33,255,285	1.85%	18,367	\$ 1,811	
2017	28,939,237	-	183,341	29,122,578	1.50%	18,737	1,554	
2018	25,101,589	-	64,801	25,166,390	1.18%	18,867	1,334	
2019	21,493,269	-	-	21,493,269	0.99%	18,874	1,139	
2020	32,384,793	-	-	32,384,793	1.62%	18,874	1,716	
2021	31,354,238	-	-	31,354,238	1.41%	19,627	1,598	
2022	28,618,597	-	-	28,618,597	1.25%	19,059	1,502	
2023	26,054,821	500,000	-	26,554,821	1.16%	18,965	1,400	
2024	60,338,283	475,000	-	60,813,283	2.12%	18,416	3,302	
2025	56,544,441	450,000	-	56,994,441	2.36%	18,909	3,014	

Source: Audited Financial Statements, U.S. Census, Division of Local Services

Town of Sudbury, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	General Bonded Debt Per Capita
2016	\$ 32,903,010	0.78%	\$ 1,791
2017	28,939,237	0.66%	1,544
2018	25,101,589	0.55%	1,330
2019	21,493,269	0.45%	1,139
2020	32,384,793	0.68%	1,716
2021	31,354,238	0.65%	1,598
2022	28,618,597	0.55%	1,502
2023	26,054,821	0.42%	1,400
2024	60,338,283	0.86%	3,276
2025	56,544,441	0.78%	2,990

Source: Audited Financial Statements, U.S. Census, Division of Local Services

Town of Sudbury, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2025

<u>Town of Sudbury, Massachusetts:</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Lincoln-Sudbury Regional High School District.....	\$ 485,000	87%	\$ 423,454
General governmental debt.....			<u>56,994,441</u>
Total direct and overlapping debt.....			<u>\$ 57,417,895</u>

Methodologies used to calculate overlapping debt:

Lincoln-Sudbury Regional High School District.

The Town's overlap is based on pupil enrollment.

Source: Official Statement for Sale of Bonds

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

Town of Sudbury, Massachusetts

Computation of Legal Debt Margin

Last Ten Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Equalized Valuation.....	\$ 4,535,401,000	\$ 4,535,401,000	\$ 4,796,024,700	\$ 4,796,024,700	\$ 5,131,906,400	\$ 5,131,906,400	\$ 5,513,521,800	\$ 5,513,521,800	\$ 7,603,766,700	\$ 7,603,766,700
Debt Limit - 5% of Equalized Valuation.....	\$ 226,770,050	\$ 226,770,050	\$ 239,801,235	\$ 239,801,235	\$ 256,595,320	\$ 256,595,320	\$ 275,676,090	\$ 275,676,090	\$ 380,188,335	\$ 380,188,335
Less:										
Outstanding debt applicable to limit.....	23,080,000	20,915,000	18,675,000	16,795,000	17,703,234	30,613,614	28,618,957	26,554,821	60,813,283	56,994,441
Authorized and unissued debt.....	621,000	621,000	3,971,000	18,931,000	18,931,000	35,723,500	39,123,500	39,123,500	2,350,000	3,809,000
Legal debt margin.....	\$ 203,069,050	\$ 205,234,050	\$ 217,155,235	\$ 204,075,235	\$ 219,961,086	\$ 190,258,206	\$ 207,933,633	\$ 209,997,769	\$ 317,025,052	\$ 319,384,894
Total debt applicable to the limit as a percentage of debt limit.....	10.45%	9.50%	9.44%	14.90%	14.28%	25.85%	24.57%	23.82%	16.61%	15.99%

Source: Official Statement for Sale of Bonds

Town of Sudbury, Massachusetts

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate
2016	18,367	\$ 1,802,409,000	\$ 98,133	43	3.4%
2017	18,737	1,939,767,000	103,526	44	3.5%
2018	18,867	2,128,537,000	112,818	44	3.0%
2019	18,874	2,178,362,000	115,416	44	2.8%
2020	18,874	2,001,550,000	106,048	44	10.7%
2021	19,627	2,224,406,000	113,334	44	3.6%
2022	19,059	2,296,152,000	120,476	44	2.7%
2023	18,965	2,284,638,000	120,466	44	2.7%
2024	18,416	2,864,093,000	155,522	44	2.4%
2025	18,909	2,417,667,000	127,858	44	4.7%

Source: Commonwealth of Mass, Division of Local Services, Executive Office of Labor and Workforce Development. Median age is based on most recent census data.

Town of Sudbury, Massachusetts
Principal Employers (Excluding Town)
Current Year and Nine Years Ago

Employer	Nature of Business	2025			2016		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Sudbury Farms	Grocery Store	250	1	4%	300	2	5%
Lincoln-Sudbury Regional School District	Public School District	225	2	3%	225	3	3%
Whole Foods Market	Grocery Store	210	3	3%			
Staples Industrial	Packaging Materials	190	4	3%	175	5	3%
Adtech Systems	Audio/Visual Services	160	5	2%			
Sudbury Pines Extended Care	Extended Care Facility	130	6	2%	100	8	2%
Longfellow's Wayside Inn Restaurant	Restaurant	130	7	2%			
Shaw's Supermarket	Grocery Store	125	8	2%	85	9	1%
Mass State Police Crime Lab	Public Safety	110	9	2%	50	10	1%
Connexion	Staffing & Recruiting	100	10	2%			
Raytheon Corporation	Research & Development				300	1	5%
Cavicchio Greenhouses, Inc.	Florists				200	4	3%
Methods Machine Tools, Inc.	Machine Engineering				150	6	2%
Bosse Sports	Health Club				110	7	2%

Source: Massachusetts Department of Workforce Development

Town of Sudbury, Massachusetts

Full-Time Equivalent Town Employees

Last Ten Years

<u>Full-Time Equivalents</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Town.....	31	30	30	31	30	30	30	30	32	32
Public Safety.....	78	78	78	83	88	88	88	88	88	88
School.....	413	414	404	372	383	383	428	439	477	473
Public Works.....	34	34	34	34	34	34	34	34	35	35
Health and Human Services.....	9	7	7	8	10	11	11	11	11	11
Culture and Recreation.....	<u>16</u>	<u>17</u>	<u>17</u>	<u>18</u>						
Total.....	<u>581</u>	<u>580</u>	<u>570</u>	<u>546</u>	<u>563</u>	<u>564</u>	<u>609</u>	<u>620</u>	<u>661</u>	<u>657</u>

Source: Annual Budget Report, School Department

Town of Sudbury, Massachusetts

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Population.....	18,367	18,737	18,867	18,874	18,874	19,627	19,655	18,965	18,416	18,909
Select Board meetings.....	59	44	35	46	44	44	63	46	42	36
Licenses issued.....	82	82	140	89	88	86	80	81	87	79
Payroll processed.....	19,941	19,907	19,555	19,599	19,259	18,389	18,892	20,259	20,150	20,305
Invoices paid.....	15,882	14,816	15,343	16,639	15,126	15,784	15,520	14,513	15,840	14,866
Taxable property parcels.....	6,645	6,658	6,658	6,657	6,673	6,686	6,689	6,683	6,809	6,847
Motor vehicle excise processed.....	19,459	19,654	19,067	19,873	18,868	19,774	19,140	19,447	20,221	20,715
Certified vital records.....	1,415	1,350	1,494	1,473	1,615	1,476	1,266	1,610	1,434	1,483
Zoning board of appeals application filed.....	31	32	35	47	34	37	47	42	33	34
Public Safety										
Police										
Calls for service.....	17,341	13,379	15,936	14,504	14,017	14,447	13,907	12,908	12,688	12,408
Walk-in traffic.....	N/A	11,408	12,630	10,706	7,417	5,464	5,755	6,960	7,616	7,403
Arrests.....	84	46	57	57	60	53	52	77	61	59
Criminal complaints.....	191	111	156	148	140	125	123	186	213	255
Motor vehicle accidents.....	550	507	554	464	310	324	376	358	420	481
Alarms.....	839	603	601	600	519	513	520	462	398	401
Medical call responses.....	948	907	910	886	1,115	1,044	1,062	1,192	1,138	1,054
Fire										
Incidents										
Calls for assistance.....	2,193	2,034	2,310	2,084	2,200	2,313	2,461	2,858	2,804	3,010
Structure fire responses.....	19	19	22	38	26	40	43	83	54	46
Emergency medical responses.....	1,221	1,278	1,332	1,287	1,361	1,421	1,610	1,647	1,655	1,777
Building Department										
Building inspections.....	4,038	3,510	4,605	4,767	3,349	4,299	5,975	5,695	4,853	4,226
Education										
Public school enrollment.....	4,424	4,471	4,064	3,998	4,070	3,803	3,726	3,857	3,756	3,740
Public Works										
Depository of property plans.....	4,110	6,805	6,830	6,830	4,000	6,837	6,837	6,848	6,840	6,913
Transfer station stickers issued.....	2,209	2,371	2,170	2,133	2,097	1,929	1,831	1,970	2,077	2,060
Recyclables (tons).....	580	608	575	500	463	445	390	393	406	358
Health and Human Services										
Senior Center program attendance.....	1,600	1,542	1,700	1,850	1,870	994	1,187	1,499	1,555	1,473
Senior Center referrals.....	195	106	168	195	420	404	496	599	433	339
Veteran population (Federal census estimate)....	509	483	531	531	474	474	290	326	326	326
Senior and veteran tax work-off participants....	55	55	57	60	56	52	30	50	53	43
Culture and Recreation										
Library circulation.....	408,422	398,447	376,594	415,092	363,176	249,327	404,250	N/A	489,481	533,056
Library resources sharing.....	106,321	106,882	107,000	110,010	79,353	176,961	180,500	N/A	133,385	133,279
Park & recreation programs.....	515	679	680	600	N/A	N/A	N/A	N/A	6,341	10,063
Pool use (admittance).....	77,000	75,000	75,000	75,000	N/A	N/A	N/A	N/A	68,000	78,000

Source: Various Town Departments and Annual Town Report

N/A: Information not available

Town of Sudbury, Massachusetts

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Public safety										
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations.....	3	3	3	3	3	3	3	3	3	3
Trucks.....	7	7	7	7	7	7	7	7	7	7
Education										
Public school buildings.....	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles).....	141	141	141	141	141	141	141	141	141	141
Streetlights.....	627	627	627	627	627	627	627	627	627	627
Traffic signals.....	2	2	2	2	2	2	2	2	2	2
Trucks/rolling stock equipment.....	83	83	83	91	91	91	91	91	91	91
Culture and Recreation										
Public libraries.....	1	1	1	1	1	1	1	1	1	1
Community centers.....	1	1	1	1	1	1	1	1	1	1
Town park and playground acreage.....	96	96	96	96	96	96	96	96	96	96

Source: Various Town Departments

Report on Internal Control

This page intentionally left blank.

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Honorable Select Board
Town of Sudbury, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sudbury, Massachusetts (the “Town”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated December 27, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Merrimack, NH
December 27, 2025