

ATTLEBORO REDEVELOPMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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ATTLEBORO REDEVELOPMENT AUTHORITY

JUNE 30, 2021

TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	1-2
Management's Discussion and Analysis (unaudited)	3-8
Basic Financial Statements:	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Net Position	10
Statement of Cash Flows	11-12
Notes to the Financial Statements	13-26
Required Supplementary Information	27-28
Yellowbook Report:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29-30

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Members of the Board of Directors
Attleboro Redevelopment Authority
Attleboro, Massachusetts

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Attleboro Redevelopment Authority ("the Authority"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Attleboro Redevelopment Authority, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Attleboro Redevelopment Authority

Independent Auditor's Report

Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of the Authority's net pension liability, as listed on the pages in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2022 on our consideration of the Attleboro Redevelopment Authority'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 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 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 Authority's internal control over financial reporting and compliance.

Hague, Sahady & Co., CPAs, P.C.

Hague, Sahady & Co., CPAs, P.C.

Fall River, Massachusetts

February 16, 2022

ATTLEBORO REDEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The board of directors of the Attleboro Redevelopment Authority provides the following information as an introduction, overview and analysis of the Attleboro Redevelopment Authority's financial statements for the year ended June 30, 2021 and June 30, 2020.

OVERVIEW OF ENTITY

The Redevelopment Authority was established on December 3, 1965.

The mission of the Attleboro Redevelopment Authority is "to implement, promote, and reestablish the City of Attleboro as the premier community to live, work, and engage in recreation in Southeastern Massachusetts, with a vibrant economy that will enhance our economic well-being and quality of life, for ourselves and for our children's future."

The Authority participates in various projects which are consistent with the Authority's stated mission, which currently include the following:

Transit-Oriented Development (TOD) District (formerly referred to as the "Inter-modal Transportation Center")

The Attleboro Redevelopment Authority's primary focus is the preparation and sale of over 15 acres of land adjacent to the Downtown Attleboro Commuter Rail Station. Previous activities in the Transit-Oriented Development District (TOD) include (1) the construction of a Transit Oriented Development District (TOD) (ITC) which connects commuter rail and regional bus service, (2) the relocation of the former DPW Yard, (3) the remediation of the former Automated Machine Products properties (AMP North and AMP South), (4) the redevelopment of AMP North into the mixed-use Renaissance Station North project, (5) the construction of Riverfront Drive and Judith H. Robbins Park alongside the Ten Mile River, and (6) the connection of the TOD to central Downtown Attleboro via the Kevin Dumas Walkway.

1.5 acres of TOD land were recently sold, and a mixed-use development project with 136 units of market-rate housing is currently under construction on the site. The Authority is undertaking a number of projects to prepare the remaining land for sale and development, including environmental remediation activities and the negotiation of a land swap with the MBTA. An ongoing study commissioned by the Greater Attleboro-Taunton Regional Transit Authority will provide an economic impact analysis and recommended location for a future parking garage within the TOD District. Pedestrian improvements along Fourth Street, including a footbridge across the Ten Mile River, are planned with pending funding from the FTA. A final updated vision and plan for the TOD land is planned for FY22. After these remaining projects are complete, the Authority will seek to put the remaining TOD land out to bid as early as 2022.

The Authority also participates in other projects that are aligned with the mission statement.

Please read this analysis in conjunction with the Redevelopment Authority's basic financial statements which begin below.

ATTLEBORO REDEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2021

FINANCIAL HIGHLIGHTS

- The net position of the Authority decreased by \$136,726 to \$1,737,771 from \$1,874,497 from the prior year.
- The overall unrestricted net position totaled \$359,071 as of June 30, 2021 and \$495,797 as of June 30, 2020:
 - Unrestricted net position was \$356,423 for the operating fund as of June 30, 2021 and \$350,885 as of June 30, 2020. The fund also had investments in land of \$75,000 at June 30, 2021 which represents the land owned on Frank Mossberg Drive.
 - Unrestricted net position was \$2,648 for the Transit Oriented Development District (TOD) as of June 30, 2021 and \$145,512 as of June 30, 2020. This fund also had investments in land and land improvements of \$100 at June 30, 2021. This fund has restricted net position of \$1,303,600 at June 30, 2021 related to the 80% FTA share of the Wall Street South / Renaissance sale, as the original purchase was made using federal funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of the following three parts: Management's Discussion and Analysis, Basic Financial Statements and Required Supplementary Information. The financial statements include notes thereto which explain in detail the information in the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements are prepared on the accrual basis of accounting, much of the same way as in private industry.

The Statement of Net Position - This statement reports all assets, deferred outflows, liabilities and deferred inflows of the Redevelopment Authority as of June 30, 2021. The difference between total assets, total deferred outflows, liabilities, and total deferred inflows is reported as "net position". Increases in net position generally indicate an improvement in financial position while decreases may indicate a deterioration of financial position.

The Statement of Revenues, Expenses and Changes in Net Position - This statement serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the Redevelopment Authority for the year ended June 30, 2021. Changes in net position are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Revenues, Expenses and Changes in Net Position displays the expenses of the Redevelopment Authority's programs net of related revenues.

The Statement of Cash Flows - This statement shows how changes in balance sheet accounts and income affect cash and cash equivalents, and analyzes operating, investing, and financing activities of the Authority during the fiscal year. Essentially, the cash flow statement is concerned with the flow of cash in and out of the Authority. As analytical analysis, the statement of cash flows can be useful to determine the short-term viability of the Authority, particularly its ability to pay bills.

ATTLEBORO REDEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE AUTHORITY

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide an indication of the Authority's financial condition and also indicate the changes in financial condition of the Authority during the last year. The Authority's net position reflects the difference between assets plus deferred outflows, and liabilities plus deferred inflows. An increase in net position over time typically indicates an improvement in financial condition.

Net Position June 30, 2021 and June 30, 2020

	Statement of Net Position - Business-Type Activities	
	<u>2021</u>	<u>2020</u>
Assets		
Current assets	\$ 1,700,886	\$ 2,125,283
Non-current assets	75,100	75,100
Total assets	<u>1,775,986</u>	<u>2,200,383</u>
Deferred outflows of resources		
Pension related	2,816	4,338
Total deferred outflows of resources	<u>2,816</u>	<u>4,338</u>
Total assets and deferred outflows of resources	<u>\$ 1,778,802</u>	<u>\$ 2,204,721</u>
Liabilities		
Current liabilities	\$ 2,175	\$ 281,303
Long-term liabilities	21,328	25,299
Total liabilities	<u>23,503</u>	<u>306,602</u>
Deferred inflows of resources		
Pension related	17,528	23,622
Total deferred inflows of resources	<u>17,528</u>	<u>23,622</u>
Net Position		
Net investment in capital assets	75,100	75,100
Restricted (FTA Share)	1,303,600	1,303,600
Unrestricted	359,071	495,797
Total net position	<u>1,737,771</u>	<u>1,874,497</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,778,802</u>	<u>\$ 2,204,721</u>

At year end, the Authority's net position was \$1.74 million and \$1.87 million as of June 30, 2021 and 2020, respectively. Of that amount, approximately \$75,100 as of June 30, 2021 and \$75,100 as of June 30, 2020 was invested in capital assets, net of debt related to those assets. The Authority had restricted net position of \$1.3 million at June 30, 2021 related to the FTA's interest in 80% of the sale price of the Wall Street South property. The unrestricted net position reflects a surplus of \$359 thousand as of June 30, 2021. As of June 30, 2020, unrestricted net position reported a surplus of \$496 thousand.

ATTLEBORO REDEVELOPMENT AUTHORITY

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2021

Changes in Net Position, Year Ended June 30, 2021 and 2020

Net position decreased by \$136,726 during 2021. The Authority received \$50 in other revenues whereas operating expenses totaled \$137 thousand during fiscal year 2021 largely due to environmental remediation fees.

	Changes in Net Position - Business-Type Activities	
	2021	2020
Operating revenues:		
Capital contributions	\$ -	\$ 75,000
NESV, City and other revenue	-	4,222
Sale of Property	50	1,630,000
Total operating revenues	<u>50</u>	<u>1,709,222</u>
Operating expenses:		
Demolition, engineering and environmental remediation fees	145,319	(145,512)
Legal and professional fees, including appraisals	-	25,500
Land inventory write-downs/sales	-	1,200,000
Pension expense	(8,543)	(4,646)
Total operating expenses	<u>136,776</u>	<u>1,075,342</u>
Operating income (loss):	<u>(136,726)</u>	<u>633,880</u>
Change in net position	(136,726)	633,880
Beginning net position	<u>1,874,497</u>	<u>1,240,617</u>
Ending net position	<u>\$ 1,737,771</u>	<u>\$ 1,874,497</u>

The Statement of Revenues, Expenses and Changes in Net Position reports the expenses and related program revenue of the Authority. It is the Authority’s practice that revenues of the Authority are anticipated to cover all operating costs.

ATTLEBORO REDEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2021

Changes in Net Position, Year Ended June 30, 2021 and 2020 (continued)

Comparatively, the expenses of the Authority in 2020 predominantly consisted of the sale of the land at Wall Street South / Renaissance to Attleboro Wall Street Apartments LLC on December 17, 2019.

Debt

The Authority has no outstanding debt at June 30, 2021.

Capital Assets and Investment in Land

During the fiscal year ended June 30, 2021, the Authority had no changes in the amount of "net investments in capital assets".

At June 30, 2021, the Authority continued to hold the land at 101 Olive Street at a historical cost of \$100 on its balance sheet. The Authority also owns land on Frank Mossberg Drive valued at \$75,000.

For more detail on capital assets, see Note 4 to the financial statements.

Economic Factors and Future Outlook

The Authority will continue to engage in projects that implement, promote, and reestablish the City of Attleboro as the premier community to live, work, and engage in recreational activities in Southeastern Massachusetts that will enhance our citizens' economic well-being and quality of life, for ourselves and for our children's future.

Requests for Information

This financial report is designed to provide the citizens of Attleboro, taxpayers, customers, investors and creditors with an overview of the Authority's finances. If you have any questions or need financial information, please contact the Attleboro Redevelopment Authority Board of Directors, Attleboro Redevelopment Authority, 77 Park Street, Attleboro, Massachusetts 02703.

ATTLEBORO REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2021

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ATTLEBORO REDEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2021

	<u>Major Fund</u>	<u>Major Fund</u>	
	<u>Operating</u>	<u>Transit Oriented Development (TOD) District</u>	<u>Total Business-Type Activities</u>
ASSETS			
Current assets:			
Cash and cash equivalents - unrestricted	\$ 392,463	\$ -	\$ 392,463
Cash and cash equivalents - restricted	-	1,303,600	1,303,600
Receivables:			
Due from City	-	4,823	4,823
Total current assets:	<u>392,463</u>	<u>1,308,423</u>	<u>1,700,886</u>
Non-current assets:			
Land	<u>75,000</u>	<u>100</u>	<u>75,100</u>
Total non-current assets:	<u>75,000</u>	<u>100</u>	<u>75,100</u>
Total assets:	<u>467,463</u>	<u>1,308,523</u>	<u>1,775,986</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	<u>2,816</u>	<u>-</u>	<u>2,816</u>
Total deferred outflows of resources:	<u>2,816</u>	<u>-</u>	<u>2,816</u>
Total assets and deferred outflows of resources:	<u>\$ 470,279</u>	<u>\$ 1,308,523</u>	<u>\$ 1,778,802</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued environmental liability	<u>-</u>	<u>2,175</u>	<u>2,175</u>
Total current liabilities:	<u>-</u>	<u>2,175</u>	<u>2,175</u>
Non-current liabilities:			
Net pension liability	<u>21,328</u>	<u>-</u>	<u>21,328</u>
Total non-current liabilities:	<u>21,328</u>	<u>-</u>	<u>21,328</u>
Total liabilities:	<u>21,328</u>	<u>2,175</u>	<u>23,503</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	<u>17,528</u>	<u>-</u>	<u>17,528</u>
Total deferred inflows of resources:	<u>17,528</u>	<u>-</u>	<u>17,528</u>
NET POSITION			
Net investment in capital assets	75,000	100	75,100
Restricted (FTA Share)	-	1,303,600	1,303,600
Unrestricted (deficit)	<u>356,423</u>	<u>2,648</u>	<u>359,071</u>
Total net position	<u>431,423</u>	<u>1,306,348</u>	<u>1,737,771</u>
Total liabilities, deferred inflows of resources and net position:	<u>\$ 470,279</u>	<u>\$ 1,308,523</u>	<u>\$ 1,778,802</u>

The notes to the financial statements are an integral part of the financial statements

ATTLEBORO REDEVELOPMENT AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major Fund</u>	<u>Major Fund</u>	
	<u>Operating</u>	<u>Transit Oriented Development (TOD) District</u>	<u>Total Business-Type Activities</u>
Operating revenues:			
Other income	\$ 50	\$ -	\$ 50
Total operating revenues	<u>50</u>	<u>-</u>	<u>50</u>
Operating expenses:			
Environmental remediation	-	145,319	145,319
Pension expense	<u>(8,543)</u>	<u>-</u>	<u>(8,543)</u>
Total operating expenses	<u>(8,543)</u>	<u>145,319</u>	<u>136,776</u>
Operating income (loss):	<u>8,593</u>	<u>(145,319)</u>	<u>(136,726)</u>
Transfers between funds:			
Transfers in	158,474	160,929	319,403
Transfers out	<u>(160,929)</u>	<u>(158,474)</u>	<u>(319,403)</u>
Total transfers between funds	<u>(2,455)</u>	<u>2,455</u>	<u>-</u>
Change in net position	6,138	(142,864)	(136,726)
Beginning net position	<u>425,285</u>	<u>1,449,212</u>	<u>1,874,497</u>
Ending net position	<u>\$ 431,423</u>	<u>\$ 1,306,348</u>	<u>\$ 1,737,771</u>

The notes to the financial statements are an integral part of the financial statements

ATTLEBORO REDEVELOPMENT AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major Fund</u>	<u>Major Fund</u>	
	<u>Operating</u>	<u>Transit Oriented Development (TOD) District</u>	<u>Business-Type Activities</u>
Cash flows from operating activities:			
Payments to contractors and vendors	\$ 8,543	\$ (424,447)	\$ (415,904)
Pension contribution	(8,543)	-	(8,543)
Mass Development grant receipts	-	261,063	261,063
Other receipts	50	-	50
	<u>50</u>	<u>(163,384)</u>	<u>(163,334)</u>
Net cash provided (used) by operating activities	50	(163,384)	(163,334)
Cash flows from non-capital and related financing activities:			
Proceeds from City	-	160,929	160,929
Transfers in (out)	(2,455)	2,455	-
	<u>(2,455)</u>	<u>163,384</u>	<u>160,929</u>
Net cash used by non-capital and related financing activities	(2,455)	163,384	160,929
Cash flows from capital and related financing activities:			
None	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used by capital and related financing activities	-	-	-
Cash flows from investing activities:			
None	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used by investing activities	-	-	-
Net increase in cash and cash equivalents	(2,405)	-	(2,405)
Balances, beginning of the year	394,868	1,303,600	1,698,468
Balances, end of the year	<u>\$ 392,463</u>	<u>\$ 1,303,600</u>	<u>\$ 1,696,063</u>
Displayed as:			
Cash and cash equivalents - unrestricted	<u>\$ 392,463</u>	<u>\$ -</u>	<u>\$ 392,463</u>
Cash and cash equivalents - restricted	<u>\$ -</u>	<u>\$ 1,303,600</u>	<u>\$ 1,303,600</u>
	<u>Major Fund</u>	<u>Major Fund</u>	
	<u>Operating</u>	<u>Transit Oriented Development (TOD) District</u>	<u>Business-Type Activities</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 8,593	\$ (145,319)	\$ (136,726)
Changes in assets and liabilities:			
Net (Increase) decrease in accounts receivable - grants	-	261,063	261,063
Net Increase (decrease) in accounts payable	-	(60,641)	(60,641)
Net Increase (decrease) in accrued environmental liability	-	(218,487)	(218,487)
Net Increase (decrease) in net pension liability and related deferrals	(8,543)	-	(8,543)
	<u>50</u>	<u>(163,384)</u>	<u>(163,334)</u>
Net cash provided (used) by operating activities	\$ 50	\$ (163,384)	\$ (163,334)

The notes to the financial statements are an integral part of the financial statements

ATTLEBORO REDEVELOPMENT AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

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ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies:

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the Authority are discussed below.

Reporting Entity

The Attleboro Redevelopment Authority (the Authority) was established in 1965 under the provisions of Massachusetts General Laws Chapter 121B. The purpose of the Authority is to engage in urban renewal projects and other related work. The Board is comprised of five members, four of which are appointed by the mayor. One member is appointed by the Governor.

The mission of the Attleboro Redevelopment Authority is "to implement, promote, and reestablish the City of Attleboro as the premier community to live, work, and engage in recreation in Southeastern Massachusetts, with a vibrant economy that will enhance our economic well-being and quality of life, for ourselves and for our children's future."

The Authority participates in various projects which are consistent with the Authority's stated mission, which currently include the following:

Transit-Oriented Development (TOD) District (formerly referred to as the "Inter-modal Transportation Center")

The Attleboro Redevelopment Authority's primary focus is the preparation and sale of over 15 acres of land adjacent to the Downtown Attleboro Commuter Rail Station. Previous activities in the Transit-Oriented Development District (TOD) include (1) the construction of a Transit Oriented Development District (TOD) (ITC) which connects commuter rail and regional bus service, (2) the relocation of the former DPW Yard, (3) the remediation of the former Automated Machine Products properties (AMP North and AMP South), (4) the redevelopment of AMP North into the mixed-use Renaissance Station North project, (5) the construction of Riverfront Drive and Judith H. Robbins Park alongside the Ten Mile River, and (6) the connection of the TOD to central Downtown Attleboro via the Kevin Dumas Walkway.

1.5 acres of TOD land were recently sold, and a mixed-use development project with 136 units of market-rate housing is currently under construction on the site. The Authority is undertaking a number of projects to prepare the remaining land for sale and development, including environmental remediation activities and the negotiation of a land swap with the MBTA. An ongoing study commissioned by the Greater Attleboro-Taunton Regional Transit Authority will provide an economic impact analysis and recommended location for a future parking garage within the TOD District. Pedestrian improvements along Fourth Street, including a footbridge across the Ten Mile River, are planned with pending funding from the FTA. A final updated vision and plan for the TOD land is planned for FY22. After these remaining projects are complete, the Authority will seek to put the remaining TOD land out to bid as early as 2022.

The Authority also participates in various other projects.

The Attleboro Redevelopment Authority receives a substantial amount of its revenues from grants and from City contributions.

In accordance with Governmental Accounting Standards Board Statement No. 61, the financial statements must present the Authority (primary government) and its component units. Pursuant to this criteria, no component units were identified for inclusion in the accompanying financial statements.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (continued):

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for using the *economic resources measurement focus*. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position.

Basis of accounting refers to the point at which revenues and expenses are recognized in the accounts and reported in the financial statements. The Authority uses the full accrual basis in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34. Under this method, revenues are recorded when earned and expenses are recorded when a related liability is incurred.

The Authority has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements, as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The Authority adheres to GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49) where deemed applicable. GASB 49 identifies the circumstances under which a government entity would be required to report a liability related to pollution remediation. The statement requires a government entity to estimate its expected outlays for pollution remediation if it knows that a site is polluted based on specific recognition triggers and disclose those obligations associated with clean-up efforts. Capitalization of accrued environmental liabilities is permissible to the extent of the parcel's fair value, if the parcel is held for resale. Otherwise, capitalization is allowed to the extent of preparing the property for service in its intended location and condition.

The accounts of the Authority are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the Authority's assets, deferred outflows, liabilities, deferred inflows, revenues and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge on the net revenues from fees and charges for the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the Authority are grant revenues and revenues earned directly or indirectly that are related to the sale of land. All revenues and expenses not meeting this definition are reported as nonoperating.

Implementation of New Accounting Principles

For the year ending June 30, 2021, the Authority implemented no new accounting pronouncements as GASB Statement No. 84, *Fiduciary Activities* was not applicable to the Authority.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents

The Authority considers cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Grants and Other Receivables

The Authority carries its accounts receivable at an amount equal to uncollected but earned revenue less allowance for doubtful accounts. Accounts receivable often consists of grants receivable from the EPA, Mass Development and authorized but uncollected Urban Renewal Bond proceeds (paid for by the City's URB fund). At year end, the allowance for doubtful accounts was \$0.

Capital Assets

Capital assets are comprised of land and land improvements. The Authority defines capital assets as the following:

1. Land, improvements to land, buildings and building improvements over \$1.
2. Repairs to buildings in excess of \$15,000.
3. All other assets with an initial useful life of 3 or more years.

Capital assets are carried at cost or at estimated historical cost if actual cost is not available. Cost includes not only purchase price or construction cost, but also ancillary charges necessary to place the asset in its intended location and condition for use. Land improvements are capitalized to the extent of the parcel's estimated fair value.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Attleboro's Contributory Employees' Retirement System ("the System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. 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.

Net Position

The Authority reports net position as "restricted" when constraints are placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provision or enabling legislation. On June 30, 2021, the restricted net position totaled \$1,303,600 and was related to the 80% share of the sale at the Wall Street South / Renaissance property, originally purchased with Federal funds.

The category "net investment in capital assets" represents all investments in property, lot inventory and fixed assets less the debt associated with those assets. On June 30, 2021, the Authority held the property at 101 Olive Street on its balance sheet at the historical cost of \$100 and the property at Frank Mossberg Drive which had an estimated historical cost of \$75,000.

"Unrestricted" net position on June 30, 2021 totaled \$359,071 and represents net position that does not fall into either the "net invested in capital assets" or the "restricted" categories of fund balance.

It is the Authority's policy to utilize restricted net position for qualifying activities prior to utilizing unrestricted net position.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (continued):

Revenue Recognition Policy

Most of the Authority's grant agreements are reimbursable in nature. Under these grant agreements, revenue is recognized as reimbursable costs are incurred, *including* accrued environmental liabilities. Billings to the funding sources are subject to final approval by the governmental agency. Revenue relating to sales of property or other agreements is recognized as it becomes due under the specific contracts.

Unearned revenue is classified as deferred inflows of resources on the balance sheet in accordance with GASB Statement No. 65.

All revenue is recorded at the estimated net realizable amounts.

Operating and Non-Operating Revenues and Expenses

Operating revenues and expenses for the Authority are those that result from providing services and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities. Non-operating funds generally include interest revenues and expenses. Since the Authority is considered a proprietary fund all revenues and expenses are separated into the category of operating or non-operating.

Advertising

The cost of advertising is expensed as incurred.

Use of Estimates

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

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 2: Interfund Transactions:

In the process of aggregating data for the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified in accordance with GASB Statement No. 34. To minimize the “grossing-up” effect on assets and liabilities within the business-type activities, all internal balances were eliminated. Interfund eliminations as of and for the year ended June 30, 2021 are as follows:

	<u>Other Financing Sources</u>	<u>Other Financing Uses</u>	<u>Net Sources and Uses</u>
Operating	\$ 158,474	\$ 160,929	\$ (2,455)
Transit Oriented Development (TOD) District	<u>160,929</u>	<u>158,474</u>	<u>2,455</u>
Totals	<u>\$ 319,403</u>	<u>\$ 319,403</u>	<u>-</u>

Note 3: Cash and Cash Equivalents:

Cash and cash equivalents as of June 30, 2021 are classified in the accompanying financial statements as follows:

Cash and cash equivalents – unrestricted	<u>\$ 392,463</u>
Cash and cash equivalents – restricted	<u>\$ 1,303,600</u>

Deposits are in various financial institutions and are carried at cost. The carrying value is separately displayed on the statement of net position as “Cash and cash equivalents”.

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At year end, the Authority’s carrying amount of deposits unrestricted and held in the operating fund totaled \$392,463 and the bank balance was the same. Of the bank balance, \$250,000 was covered by the Federal Depository Insurance Corporation (FDIC) with the remainder of the balance being covered by the Massachusetts Depositors Insurance Fund (DIF).

At the year end, the Authority also held in escrow a balance of \$1,303,600 in a non-interest-bearing account of which \$250,000 was covered by FDIC and the remainder being covered by the DIF. This balance represents the 80% FTA interest in the sale of the Wall Street South / Renaissance land to Attleboro Wall Street Apartments LLC.

It is the Authority’s policy to invest all monies not required for three months of operating expenses in a manner that is consistent with state law and sound investment guidelines, namely: safety, liquidity and yield. Management feels that the Authority is not exposed to any significant credit risk related to cash.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 4: Capital Assets:

Capital asset activity for year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities:</u>				
Capital assets not being depreciated:				
Land:				
Frank Mossberg Drive	\$ 75,000	\$ -	\$ -	\$ 75,000
Transit Oriented Development (TOD) District				
Olive Street	100	-	-	100
	<hr/>	<hr/>	<hr/>	<hr/>
Land (subtotal):	75,100	-	-	75,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets, not being depreciated:	\$ 75,100	\$ -	\$ -	\$ 75,100
	<hr/>	<hr/>	<hr/>	<hr/>
Capital assets being depreciated:				
Office Equipment	\$ 9,584	\$ -	\$ -	\$ 9,584
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal, capital assets	9,584	-	-	9,584
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated Depreciation:				
Office Equipment	9,584	-	-	9,584
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal, accumulated depreciation	9,584	-	-	9,584
	<hr/>	<hr/>	<hr/>	<hr/>
Net capital assets being depreciated	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net capital assets	\$ 75,100	\$ -	\$ -	\$ 75,100
	<hr/>	<hr/>	<hr/>	<hr/>

Depreciation for fiscal year ended 2021 was \$0.

Land Balances

The “land” balances represent historical balances on record at the Northern Bristol County Registry of Deeds. There were no material acquisitions or dispositions of land during fiscal year 2021.

On December 17, 2019 (fiscal year 2020), the Authority sold the land at Wall Street South / Renaissance South to the Redeveloper (Attleboro Wall Street Apartments, LLC) for \$1.63 million. The land located at Wall Street South / Renaissance South (Lot 1) was originally purchased for the Attleboro Transit Oriented Development District (TOD) by the Attleboro Redevelopment Authority (ARA) using federal funds. GATRA confirmed that the federal share of the proceeds for the sale (i.e. the federal funds) were transferred into escrow to a non-interest bearing ARA account. Therefore, the Federal interest in the now sold Lot 1 property created pursuant to FTA’s Master Agreement is relinquished. The FTA must now approve the application of these funds in a GATRA grant application prior to the release of these funds from escrow. As it stands as of the writing of this document, the FTA staff has been coordinating with GATRA to set up an on-site meeting to review proposed projects.

The Authority also continues to hold land at the former R&M landfill site (101 Olive St) that is currently undergoing environmental remediation (see Note 8 for more information). As a result of the contamination, this land was deemed to be impaired and was written down to a value of \$100 in a prior year. These parcels are Map 32, Lots 55A, 55A1 and 55A2 on the City Assessor records.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Land Balances (continued)

The Authority also owns property on Frank Mossberg Drive (Assessor Map 146 Lot 6). Upon discovery of the ownership of this property during fiscal year 2020, the Authority recorded a value of \$75,000, which represents the most current appraisal of Lot 6 on record, which was performed in 2002. It is believed the Authority originally took possession of this parcel of land in 1988 as part of the former Industrial Business Park.

Land Improvements

Land improvement balances represent various costs incurred to remediate and redevelop land. Environmental remediation expenditures are capitalized to the extent of a property's fair value.

Increases. During fiscal year 2021, the Authority recorded no increases to the land improvement balances.

Decreases. During fiscal year 2021, the Authority recorded no decreases to the land improvement balances.

Note 5: Pension Plan:

General Information about the Pension Plan

Plan description. The System is a contributory defined benefit plan, as established by MGL Chapter 32, covering all City of Attleboro Retirement System member unit employees deemed eligible by the retirement board, with the exception of the school department employees who serve in a teaching capacity.

The System qualifies as a cost-sharing multiple employer plan since pension obligations exist for employees of more than one employer and plan assets can be used to pay the benefits of the employees of any employer. Three employers currently participate in the System, the City of Attleboro, the Attleboro Housing Authority, and the Attleboro Redevelopment Authority. Each employer contributes into the plan annually as determined by the Public Employee Retirement Administration Commission ("PERAC"). Please see the section below entitled "Contributions" for more information.

General Information about the Pension Plan (continued)

The PERAC issues a publicly available report on the City of Attleboro Retirement System pursuant to MGL Chapter 32 Section 21 that can be obtained at www.mass.gov/perac. This report contains additional information with respect to the System.

Benefits provided. The System provides retirement, disability, and death benefits. Retirement benefits vest after ten years of creditable service and are determined by multiplying average salary by a benefit rate related to the member's age and job classification at retirement, and the resulting product by his creditable service. The amount determined by the benefit formula cannot exceed 80% of the member's highest three year average salary (for employees hired prior to April 2, 2012) or 80% of the member's highest five year average (for employees hired on or after April 2, 2012). The benefit rate also varies with the member's retirement age and group classification (see below). Members may elect to receive their retirement allowances in one of three forms of payment (Options A, B and C) per MGL Chapter 32.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 5: Pension Plan (continued)

Members of the System are eligible for two types disability benefits (ordinary and accidental disability) for which allowances are determined based on the date the member entered the System along with the “group” the member belongs to. Death benefits are also available for members who die as a result of a work-related injury if the member was retired for accidental disability and the death was the natural and proximate result of the injury or hazard undergone on account of which such member was retired. Allowances for death benefits consist of immediate payments to a named beneficiary equal to the accumulated deductions at the time of death, plus a pension equal to 72% of current salary. Other allowances are also entitled to those surviving spouses of the police or fire departments.

Chapter 17 of the Acts of 1997 was adopted by the Attleboro Contributory Retirement System. The result of such adoption allows the Retirement Board to vote to pay a cost of living increase (COLA) for that year, with the percentage determined by the increase in the Consumer Price Index used for indexing Social Security benefits, but cannot exceed 3.0%.

Contributions. Member contributions vary depending on the most recent date of membership. Members who entered the system prior to 1975 contribute 5% of regular compensation. Members who entered between 1975 and 1983 contribute 7% of regular compensation. Members who entered between 1984 and June 30, 1996 contribute 8% of regular compensation. Members who entered after July 1, 1996 will contribute 9% of regular compensation. Also, members who joined after 1978 are required to make extra contributions equal to 2% of all compensation exceeding \$30,000 annually.

Under Chapter 32 Section 22D of the Massachusetts Laws, employers are required to make the necessary contributions to the trust such that the plan reaches a full funding status by 2040. Thereafter, annual contributions equal to the normal cost will keep the Plan's assets and liabilities in balance. Contributions to the pension plan from participating employers was \$8,358,852 for the fiscal year ended June 30, 2021 as determined by PERAC. Of the \$8,358,852 contributed, \$2,721 represent contributions from the Authority. PERAC establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of the benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability.

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

The System's net pension liability was measured as of December 31, 2020 (i.e. the “measurement date” as defined by GASB Statement No. 68), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

At June 30, 2021 (i.e. the “reporting date” as defined by GASB Statement No. 68), the System reported a net pension liability of \$74,116,187. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to the measurement date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of the participating employers, actuarially determined.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 5: Pension Plan (continued)

The following chart illustrates each employer’s proportionate share used at the measurement date:

<u>Employer</u>	<u>Fiscal Year 2021 Actual Employer Contributions</u>	<u>Employer Allocation Percentage</u>
City of Attleboro	\$ 8,227,771	98.4318%
Attleboro Housing Authority	128,360	1.5356%
Attleboro Redevelopment Authority	2,721	0.0326%
	<u>\$ 8,358,852</u>	<u>100.0000%</u>

At December 31, 2020 and 2019, the Authority’s proportion was 0.03 percent and 0.03 percent, respectively.

For the year ended June 30, 2021, the Authority recognized pension expense of (\$5,822). At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 555	\$ -
Changes in assumptions	1,825	-
Net difference between projected and actual earnings on pension plan investments	-	5,414
Changes in proportion and differences between employer contributions and proportionate share of contributions	436	12,114
	<u>\$ 2,816</u>	<u>\$ 17,528</u>

\$0 was reported as deferred outflows of resources related to pensions resulting from the Authority’s contributions subsequent to the measurement date of December 31, 2020. There were no employer contributions after December 31, 2020.

Amounts reported as deferred outflows (inflows) will be recognized in subsequent pension expense as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2022	\$ (5,639)
2023	(4,492)
2024	(2,860)
2025	(1,666)
2026	(58)
Thereafter	<u>3</u>
Total	<u>\$ (14,712)</u>

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 5: Pension Plan (continued)

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

Actuarial assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the actuarial assumptions as outlined in the City of Attleboro’s fiscal year 2021 basic financial statements. Please see the City of Attleboro Basic Financial Statements for the Year Ended June 30, 2021 for more information regarding the details of the actuarial assumptions used.

The actuarial assumptions used in the January 1, 2020 valuation were prepared using generally accepted actuarial principles and practices and meet the parameters set by GASB Statement No. 68. The assumptions used represent the best estimate of anticipated experience of the system.

The long-term expected real rate of return reflects the expected rate of return on plan assets minus the expected rate of inflation. Note that the discount rate includes the effect of inflation. The long-term real rate of return removes the effect of inflation on the return amounts. It is long term assumption and is meant to reflect a best estimate of future experience, based on the expected asset allocation. The allocation percentages and real rates of return below, along with the previous narrative, have been provided by Stone Consulting, the Board’s actuary. Stone Consulting received the data in the table below from Dahab Associates, the Board’s Asset Consultant. The allocation percentages and real rates of return are based on an annual inflation assumption of 3.00 percent:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return (Arithmetic Average)</u>
Large Cap	15.0%	9.2%
Mid Cap	20.0%	10.6%
Small Cap	15.0%	9.0%
International Developed Equity	10.0%	7.3%
Emerging Markets	10.0%	11.8%
Private Equity	10.0%	13.0%
Real Estate	10.0%	6.8%
Timber	0.0%	4.4%
Fixed Income	10.0%	2.2%
Total / Average	<u>100.0%</u>	<u>9.0% (6.8% net inflation)</u>

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent (as selected by the Retirement Board; this discount rate approximates the long-term expectation of investment returns). The discount rate was selected based on a projection of employer and employee contributions benefit payments, expenses and the long-term expected rate of return on trust assets. Under Chapter 32 of the Massachusetts Laws Section 22D, employers are required to make the necessary contributions to the trust such that the plan reaches a fully funded status by 2040. In addition, Chapter 32 also gives the Retirement Board the right to go directly to the Assessors of the community and add an additional property tax to bills for amounts not paid by employer. 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 active and inactive employees. 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.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 5: Pension Plan (continued)

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

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Authority's proportionate share of the net pension liability	\$ 30,150	\$ 21,328	\$ 13,865

Pension plan fiduciary net position. Detailed information about the System's fiduciary net position at December 31, 2020 (the measurement date) is available in the City's June 30, 2021 financial statements.

Payables to the pension plan

At June 30, 2021, the Authority did not report any amounts payable to the System for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021. The Authority paid-in 100% of its required appropriation.

Note 6: Risk of Loss:

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of property. The Authority purchases commercial insurance from independent third parties to cover these risks.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 7: Litigation:

The Authority is not involved in any material litigation as of June 30, 2021.

Note 8: Environmental Remediation (GASB Statement No. 49):

The following table represents the environmental liabilities associated with existing Authority parcels. The Authority contracts with Environmental Strategies and Management (ES&M) to provide environmental liability estimates and project costs. The potential for the estimated liability to change due to factors such as project cost increases or decreases and/or changes in applicable laws and regulations is possible and liabilities would be adjusted accordingly in subsequent periods.

<u>Project Name</u>	<u>Environmental Liability</u>
City Municipal Landfill	\$ 2,175
Total TOD	2,175
Total Projects	\$ 2,175

The Authority has secured funding from the City of Attleboro related to the City Municipal Landfill cleanup on Riverfront Drive for an initial amount of \$480,000. The balance of the remaining amount in the City’s Municipal Landfill cleanup fund at June 30, 2021 was \$4,823.

The Authority had also applied for and was granted a \$500,000 loan from the Mass Development program to assist with the cleanup of the R&M Landfill located at 101 Olive Street. The loan is to be repaid to Mass Development in the full amount of the Net Proceeds if the site or any portion thereof is sold/transferred/leased, etc. up to the amount of the Mass Development funds disbursed (as outlined in Section 7a of the loan agreement). The loan agreement also contains a clause whereas in any year where an “economic benefit” is realized (any increase in annual property tax or other municipal revenues), the sponsor is required to include in its annual budget a line item requiring payment to Mass Development of an amount equal to 15% of any economic benefit to the municipality. This is required to continue until the earlier of (a) full repayment of the disbursed funds, (b) the expiration of 30 years from the date on which the first economic benefit to the municipality is realized, or (c) if no redevelopment on the site commences, the expiration of 30 years from the date of the agreement (as outlined in Section 7b of the loan agreement). The balance of the Mass Development loan that assists with the cleanup of the R&M Landfill at June 30, 2021 was \$0 as the project has been completed.

Note 9: Subsequent Events:

For the purposes of determining the effects of subsequent events on these financial statements, management has evaluated events which have occurred subsequent to June 30, 2021, and through February 16, 2022, the date on which the financial statements were available to be issued. The following represents these subsequent events:

On July 23, 2021 the Federal Transit Administration (“FTA”) authorized an award related to the “Attleboro Pedestrian Bridge & Pathway, Parking Garage Study” through Federal Award ID # MA-2021-036-00. That award approved the use of the \$1,303,600 from the sale of the FTA funded property known as Lot 1 located at Wall St. and South Main St. in Attleboro, MA through two phases. Phase 1 is set to begin in February of 2022 and therefore \$200,000 of those funds have been released to GATRA who is the recipient of the award as noted in Part 1 of the FTA grant award that was executed on August 4, 2021 by GATRA’s Administrator.

Phase 2 of this project is set to commence sometime in the future and at that point in time, the Authority will release the additional funding to GATRA.

On November 3, 2021, 1 Wall Street was complete and had received a final occupancy permit from the City.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 10: Future Implementation of GASB Pronouncements

The GASB has issued the following statements:

- GASB Statement No. 87, *Leases*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
- GASB Statement No. 91, *Conduit Debt Obligations*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
- GASB Statement No. 92, *Omnibus 2020*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The requirements for certain paragraphs of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2021 and other paragraphs will take effect for the financial statements starting with the fiscal year that ends June 30, 2022.

Earlier application of these statements is encouraged. For the original pronouncements and the related implementation guides, please visit the GASB's website, www.gasb.org.

ATTLEBORO REDEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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ATTLEBORO REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Authority's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*

JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's proportion of the net pension liability (asset)	0.0326%	0.0326%	0.0393%	0.0393%	0.0800%
Authority's proportionate share of the net pension liability (asset)	<u>\$ 21,328</u>	<u>\$ 25,299</u>	<u>\$ 39,242</u>	<u>\$ 32,034</u>	<u>\$ 59,983</u>
Authority's covered employee payroll	<u>N/A**</u>	<u>N/A**</u>	<u>N/A**</u>	<u>N/A**</u>	<u>N/A**</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A**	N/A**	N/A**	N/A**	N/A**
Plan fiduciary net position as a percentage of the total pension liability	72.0%	65.7%	57.8%	63.9%	62.3%
	<u>2016</u>	<u>2015</u>			
Authority's proportion of the net pension liability (asset)	0.0800%	0.1300%			
Authority's proportionate share of the net pension liability (asset)	<u>\$ 58,136</u>	<u>\$ 69,036</u>			
Authority's covered employee payroll	<u>N/A**</u>	<u>\$ 39,897</u>			
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A**	173.0%			
Plan fiduciary net position as a percentage of the total pension liability	61.9%	71.0%			

* - Per paragraph 138 of GASB Statement No. 68, the Authority is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

** - There were no employees as of the most recent valuation date (January 1, 2020)

ATTLEBORO REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

Contributory Retirement System Schedule of Employer Contributions -
Last 10 Fiscal Years*

JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's contractually required contribution	\$ 2,719	\$ 2,518	\$ 2,853	\$ 2,701	\$ 4,858
Authority's contributions in relation to the contractually required contribution	<u>\$ 2,721</u>	<u>\$ 2,519</u>	<u>\$ 2,854</u>	<u>\$ 2,703</u>	<u>\$ 4,860</u>
Contribution deficiency (excess)	<u>\$ (2)</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ (2)</u>	<u>\$ (2)</u>
Authority's covered-employee payroll	N/A**	N/A**	N/A**	N/A**	N/A**
Contributions as a percentage of covered-employee payroll	N/A**	N/A**	N/A**	N/A**	N/A**
	<u>2016</u>	<u>2015</u>			
Authority's contractually required contribution	\$ 4,858	\$ 7,106			
Authority's contributions in relation to the contractually required contribution	<u>\$ 4,858</u>	<u>\$ 7,106</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
Authority's covered-employee payroll	N/A**	\$ 39,897			
Contributions as a percentage of covered-employee payroll	N/A**	18.00%			

Notes to Schedule

Valuation date:

The January 1, 2020 actuarial valuation was used and rollforward procedures were performed, in accordance with the parameters of GASB Statement No. 68, to December 31, 2020, the measurement date (for the reporting date of June 30, 2021).

Methods and assumptions used to determine contribution rates:

Contribution rates are recommended by the System's independent actuary and are approved by PERAC in order to comply with applicable funding statute (MGL Chapter 32 Section 22F).

* - Per paragraph 138 of GASB Statement No. 68, the Authority is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

** - There were no employees as of the most recent valuation date (January 1, 2020)

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Members of the Board of Directors
Attleboro Redevelopment Authority
Attleboro, Massachusetts

**Independent Auditor’s 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***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the Attleboro Redevelopment Authority (“the Authority”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements and have issued our report thereon dated February 16, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) to determine the 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 Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of Authority’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 entity’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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hague, Sahady & Co., CPAs, P.C.

Hague, Sahady & Co., CPAs, P.C.

Fall River, Massachusetts

February 16, 2022