

TOWN OF SUDBURY
SUDBURY HOUSING TRUST
FUND FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021
AND
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF SUDBURY
SUDBURY HOUSING TRUST
FUND FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

Town of Sudbury
Sudbury Housing Trust
Sudbury, Massachusetts

Opinion

We have audited the accompanying financial statements of the Sudbury Housing Trust fund of the Town of Sudbury, Sudbury, Massachusetts, which comprise the balance sheet as of June 30, 2022 and 2021, and the related statement revenues, expenditures and changes in fund balance for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sudbury Housing Trust fund of the Town of Sudbury, Sudbury, Massachusetts, as of June 30, 2022 and 2021, and the changes in its financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sudbury Housing Trust fund and to meet our 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 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.

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 Sudbury Housing Trust fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

Certified Public Accountants

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- o Exercise professional judgment and maintain professional skepticism throughout the audit.
- o 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.
- o 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 Sudbury Housing Trust fund's internal control. Accordingly, no such opinion is expressed.
- o 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.
- o Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sudbury Housing Trust fund'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.

Emphasis of Matter

As discussed in Note A, the financial statements present only the Sudbury Housing Trust fund and do not purport to, and do not present fairly the financial position of the Town of Sudbury, Massachusetts, as of June 30, 2022 and 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Borgatti Harrison & Co.

Framingham, Massachusetts
November 21, 2022

**TOWN OF SUDBURY
SUDBURY HOUSING TRUST
BALANCE SHEETS**

JUNE 30 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 304,025	\$ 575,946
Due from the Town of Sudbury	<u>1,000</u>	<u>-</u>
Total Assets	<u>\$ 305,025</u>	<u>\$ 575,946</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Due to the Town of Sudbury	<u>\$ -</u>	<u>\$ 446,635</u>
Total liabilities	<u>-</u>	<u>446,635</u>
Fund balances:		
Nonspendable	-	-
Restricted	-	-
Committed	-	45,000
Assigned	305,025	84,311
Unassigned	<u>-</u>	<u>-</u>
Total fund balances	<u>305,025</u>	<u>129,311</u>
Total Liabilities and Fund Balances	<u>\$ 305,025</u>	<u>\$ 575,946</u>

The accompanying notes are and integral part of the financial statements

**TOWN OF SUDBURY
SUDBURY HOUSING TRUST
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
REVENUES		
Fees	\$ 58,972	\$ 89,115
Interest and other income	408	638
	59,380	89,753
EXPENDITURES		
Payroll	2,372	2,249
Lottery/Monitoring agent expenses	8,316	11,205
Administrative expenses	44,889	44,525
Rental Assistance Program	161,766	41,200
Mortgage Assistance Program	1,594	-
Small grant expenses	22,404	4,286
Project expenses -		
Nobscot	12,875	3,528
Home preservation	17,950	8,690
	272,166	115,683
Excess (deficiency) of revenues over expenditures	(212,786)	(25,930)
OTHER FINANCING SOURCES (USES)		
Transfers in	388,500	-
Net change in fund balance	175,714	(25,930)
Fund balance, beginning of year	129,311	155,241
Fund balance, end of year	\$ 305,025	\$ 129,311

The accompanying notes are an integral part of the financial statements

TOWN OF SUDBURY, MASSACHUSETTS
SUDBURY HOUSING TRUST

NOTES TO BASIC FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The Sudbury Housing Trust is a Municipal Affordable Housing Trust Fund, established under Massachusetts General Laws, Chapter 44, Section 55C and authorized pursuant to town meeting of the Town of Sudbury, Massachusetts in 2006.

The purpose of the Trust is to provide for the preservation and creation of affordable housing in the Town of Sudbury, Massachusetts for the benefit of low and moderate income households.

The Trust is governed by a Board of Trustees consisting of not less than five and not more than nine Trustees appointed by the Town of Sudbury Board of Selectmen. At least one of the Trustees shall be a member of the Board of Selectmen, who shall serve as the representative of the Board of Selectmen.

The Town of Sudbury Treasurer/Collector is the custodian of the Trust's funds and maintains separate accounts and records for said funds. The Treasurer/Collector shall invest the Trust's funds in the manner authorized by MGL Chapter 44, Section 55, Public Funds on Deposit; Limitations; Investments, Section 55A, Liability of Depositor for Losses Due to Bankruptcy, and 55B, Investment of Public Funds.

The Trust shall continue so long as authorized under the laws of the Commonwealth of Massachusetts. Notwithstanding the foregoing, the Trust may be terminated by a majority vote of the Town Meeting in accordance with MGL Chapter 4, Section 4B.

B. Accounting Method

The accounting and reporting policies of the Trust conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental units, and by the Financial Accounting Standards Board (when applicable).

TOWN OF SUDBURY, MASSACHUSETTS
SUDBURY HOUSING TRUST

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

C. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Trust is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (Trust Agreement).

Enabling legislation authorizes the Trust to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Trust can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Trust Board. Those committed amounts cannot be used for any other purpose unless the Trust Board removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classifications may be redeployed for other purposes with appropriate due process.

TOWN OF SUDBURY, MASSACHUSETTS
SUDBURY HOUSING TRUST

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Constraints imposed on the use of committed amounts by Trust Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Trust for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Trust Board, or a Trust official delegated that authority by the Trust Agreement or ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Trust applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

D. Cash and Cash Equivalents

The Trust fund's pooled Cash and Cash Investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less is also considered being "cash equivalents".

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

TOWN OF SUDBURY, MASSACHUSETTS
SUDBURY HOUSING TRUST

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. DUE TO/FROM TOWN OF SUDBURY

This represents amounts net to/from the Town at year end to settle up on the year's activities. This difference is transferred by the Town Treasurer in July each year.

3. AMERICAN RESCUE PLAN ACT

The Trust will be receiving \$75,000 for its Mortgage Assistance Program from the Commonwealth of Massachusetts Department of Housing and Community Development's American Rescue Plan Act of 2021 (ARPA) funds.

4. EVALUATION OF SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through November 21, 2022, the date which the financial statements were available to be issued.