

FINAL OFFICIAL STATEMENT DATED MAY 22, 2024

*In the opinion of KP Law, P.C., Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Bonds will be included in the "adjusted financial statement income" of "applicable corporations" (as such terms are defined in Sections 56A and 59, respectively, of the Code) for purposes of computing the alternative minimum tax imposed on such corporations. Under existing law, interest on the Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. **The Bonds will NOT be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.** (See "Tax Exemption" herein.)*

\$9,830,000
TOWN OF NORTH ATTLEBOROUGH
Massachusetts

GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2024 BONDS

Dated: June 5, 2024

Due: June 1, 2025-2044

Maturities on following page

Principal of the General Obligation Municipal Purpose Loan of 2024 Bonds (the "Bonds") will be payable on June 1 of the years in which the Bonds mature. Interest from the date of the Bonds will be payable on December 1, 2024, and semi-annually thereafter on each June 1 and December 1 until the final maturity of the Bonds. The Bonds will be subject to redemption prior to their stated dates of maturity as described herein.

The Bonds are valid general obligations of the Town of North Attleborough, Massachusetts (the "Town") and the principal of and interest on the Bonds are payable from taxes which may be levied upon all property within the territorial limits of the Town and taxable by it subject to the limit imposed by Chapter 59, Section 21C of the Massachusetts General Laws.

The Bonds are issuable only in fully registered form without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. (See "Book-Entry Transfer System" herein.)

The Bonds are offered subject to the final approving opinion of KP Law, P.C., Boston, Massachusetts, Bond Counsel to the Town, and to certain other conditions referred to herein. UniBank Fiscal Advisory Services, Inc., Whitinsville, Massachusetts, serves as municipal advisor to the Town. It is expected that the Bonds, in definitive form, will be delivered to DTC, or the offices of its custodial agent, on or after June 5, 2024, against payment in federal reserve funds.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

FHN Financial Capital Markets

MATURITIES

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price/Yield</u>	<u>CUSIP 657339</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price/Yield</u>	<u>CUSIP 657339</u>
2025	\$575,000	5.00%	3.20%	S81	2035	\$490,000*	4.00%	2.95	U21
2026	575,000	5.00	3.07	S99	2036	490,000*	4.00	3.03	U39
2027	570,000	5.00	3.02	T23	2037	490,000*	4.00	3.15	U47
2028	565,000	5.00	2.87	T31	2038	485,000*	4.00	3.25	U54
2029	550,000	5.00	2.84	T49	2039	485,000*	4.00	3.40	U62
2030	500,000	5.00	2.82	T56	2040	420,000*	4.00	3.60	U70
2031	500,000	5.00	2.81	T64	2041	420,000*	4.00	3.70	U88
2032	495,000	5.00	2.76	T72	2042	415,000*	4.00	3.75	U96
2033	495,000*	5.00	2.90	T80	2043	410,000*	4.00	3.80	V20
2034	495,000*	5.00	2.92	T98	2044	405,000*	4.00	3.85	V38

**Priced to Call Date 6/1/2032*

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The information and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

ISSUE SUMMARY STATEMENT

Issuer: Town of North Attleborough, Massachusetts

Date of Sale: Wednesday, May 22, 2024, until 11:00 a.m. (Eastern Daylight Savings Time)

Method of Sale: Electronic Bids via Parity

Location of Sale: UniBank Fiscal Advisory Services, Inc., 49 Church Street, Whitinsville, MA

Issue: \$9,830,000 General Obligation Municipal Purpose Loan of 2024 Bonds, Book-Entry Only (See “Book-Entry Transfer System”, herein.)

Purpose: Permanent financing of various capital projects (See “Authorization and Use of Proceeds” herein)

Minimum Bid: Par plus a premium of no less than \$83,200.

Dated Date of Bonds: June 5, 2024

Maturity Date of Bonds: Serially on June 1, 2025 through 2044, as detailed herein.

Interest Payable: June 1 and December 1, commencing December 1, 2024.

Redemption: The Bonds are subject to redemption prior to their stated dates of maturity as described herein.

Credit Rating: S&P Global Ratings: AA+ (See “RATING” herein.)

Security: The Bonds are valid general obligations of the Town of North Attleborough, Massachusetts and the principal of and interest on the Bonds are payable from taxes which may be levied upon all property within the territorial limits of the Town and taxable by it subject to the limit imposed by Chapter 59, Section 21C of the Massachusetts General Laws.

Tax Exemption: Refer to “Tax Exemption” and Appendix C – “Proposed Form of Legal Opinion” herein.

Continuing Disclosure: Refer to “Continuing Disclosure” and Appendix D – “Proposed Form of Continuing Disclosure Certificate” herein.

Bank Qualification: The Bonds will NOT be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Paying Agent: U.S. Bank Trust Company, National Association, Boston, Massachusetts

Legal Opinion: KP Law, P.C., Boston, Massachusetts

Delivery and Payment: It is expected that the Bonds will be delivered to DTC, or to the offices of its custodial agent, against payment to the account of the Town in Federal Reserve funds on or about June 5, 2024.

Issue Contacts: Christopher L. Sweet, Treasurer, Town of North Attleborough, Massachusetts
Tel. # (508) 699-0114
Lynne A. Foster-Welsh, Vice President, UniBank Fiscal Advisory Services, Inc.,
Tel. # (508) 849-4223
Matthew G. Feher, Esq., KP Law, P.C., Boston, Massachusetts
Tel. # (617) 556-0007

Additional Information: Refer to the Preliminary Official Statement herein dated May 15, 2024.

NOTICE OF SALE

**TOWN OF NORTH ATTLEBOROUGH
Massachusetts**

\$10,360,000*

GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2024 BONDS

The Town of North Attleborough, Massachusetts, will receive electronic proposals until 11:00 a.m. (Eastern Daylight Savings Time), on

Wednesday, May 22, 2024

at UniBank Fiscal Advisory Services, Inc., Whitinsville, Massachusetts, for the purchase of the following described Bonds:

\$10,360,000* GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2024 BONDS, (the “Bonds”), payable June 1 of the years and in the amounts as follows:

<u>Due June 1</u>	<u>Principal Amount*</u>	<u>Due June 1</u>	<u>Principal Amount*</u>
2025	\$590,000	2035**	\$510,000
2026	590,000	2036**	510,000
2027	585,000	2037**	510,000
2028	585,000	2038**	510,000
2029	585,000	2039**	510,000
2030	530,000	2040**	445,000
2031	530,000	2041**	445,000
2032	530,000	2042**	445,000
2033**	530,000	2043**	445,000
2034**	530,000	2044**	445,000

**Preliminary; subject to change.*

*** Callable maturities. May be combined into one or more term bonds as described herein.*

Details of the Bonds

The Bonds will be dated their date of delivery. Interest from the date of the Bonds will be payable on December 1, 2024, and semi-annually thereafter on each June 1 and December 1 until the final maturity of the Bonds, or redemption prior to maturity. Principal of and interest on the Bonds will be paid as described below.

The Bonds will be issued by means of a book-entry system with no physical distribution of the Bonds made to the public. One certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York (DTC), and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bonds with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the Town nor the Paying Agent will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Bank Qualification

The Bonds will NOT be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Redemption of the Bonds

The Bonds are subject to redemption, at the option of the Town, upon the terms and conditions set forth in the Town’s Preliminary Official Statement dated May 15, 2024 (the “Preliminary Official Statement”), prepared in connection with the issuance of the Bonds.

Term Bonds

For Bonds maturing on and after June 1, 2033, bidders may specify that all of the principal amount of such Bonds having two or more consecutive maturities, may in lieu of having separate maturity dates, be combined to comprise one or more term bonds, and shall be subject to mandatory redemption or mature at par as described above, in each of the years and in the principal amounts specified in the foregoing maturity schedule (which schedule is subject to change as described herein). Each mandatory redemption shall be allocated to the payment of the term bond having the nearest subsequent maturity date.

Term Bonds, if any, shall be subject to mandatory redemption on June 1 in the year immediately prior to the stated maturity of such term bond (the particular Bonds of such maturity to be redeemed to be selected by lot), as indicated in the foregoing maturity schedule (which schedule is subject to change as described herein) at the principal amount thereof plus accrued interest to the redemption date, without premium.

Form of Bid and Basis of Award

Electronic proposals will be submitted through *i-Deal*[®]. If any provisions in this Notice of Sale conflict with information provided by *i-Deal*[®], this Notice of Sale shall control. Further information about *i-Deal*[®], including any fees charged, may be obtained from *i-Deal*[®] at (212) 849-5000. The Town assumes no responsibility or liability for bids submitted through *i-Deal*[®]. An electronic bid made in accordance with this Notice of Sale shall be deemed an irrevocable offer to purchase the Bonds in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the Town.

Bidders shall state the rate or rates of interest per annum which the Bonds are to bear in a multiple of 1/8th or 1/20th of 1% but shall not state (a) more than one interest rate for any Bonds having a like maturity, and (b) any interest rate which exceeds the interest rate stated for any other Bonds by more than 3%.

Minimum bid of par plus a premium of no less than \$83,200.

A good faith deposit is not required.

As between proposals which comply with this Notice of Sale, the award will be to the bidder who offers to purchase all the Bonds at the lowest net effective interest rate to the Town. Such interest rate shall be determined on a true interest cost (TIC) basis, which shall mean that rate which, as of June 5, 2024, discounts semi-annually all future payments on account of principal and interest to the price bid, not including interest accrued to June 5, 2024, if any, which accrued interest shall be paid by the successful bidder. The award of the Bonds to the winning bidder will not be effective until the bid has been approved by the Town Manager and the Treasurer of the Town. In the event that two or more bidders submit the same lowest true interest cost for the Bonds, the Town Treasurer shall determine the winning bidder by lot from among all such proposals.

Bond Insurance

The Town has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefor, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment. Any failure of the Bonds to be so insured or of any such policy or commitment to be issued shall not in any way relieve the purchaser of the contractual obligations arising from the acceptance of a proposal for the purchase of the Bonds. Should the successful bidder purchase municipal bond insurance, all expenses associated with such policy or commitment will be borne by the bidder, except for the fee paid to S&P Global Ratings for the rating of the Bonds. Any such fee paid to S&P Global Ratings would be borne by the Town.

Adjustments of Par Amount

The Town reserves the right to adjust the aggregate par amount of the Bonds, as well as the par amounts of individual maturities of the Bonds. The purpose of such adjustment will be to limit the amount of Bond proceeds, including premium, to the amount needed for costs of the projects being funded by the Bonds plus costs of issuance without an over-issuance of Bonds.

Any adjustment in either the aggregate principal amount or the individual maturities of the Bonds will be in an amount of \$5,000 or an integral multiple thereof. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustment in the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per-bond underwriter's discount as calculated from the bid and reoffering prices required to be delivered to the Town as stated herein. The successful bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices as a result of any changes made to the principal amounts within these limits.

Immediately following the opening of the bids, the Town, acting through its municipal advisor, will contact the apparent successful bidder to obtain the initial "production sheet" in order to determine reoffering prices, bond insurance premium, if any, and other such information. Upon being supplied with the initial "production sheet", the Town will determine the need to reduce the principal amount of the Bonds or otherwise re-allocate the principal maturities of the Bonds. The Town expects to advise the successful bidder as soon as possible, but no later than 3:00 p.m., Eastern Daylight Savings Time, on the date of the sale of the amount, if any, of any changes in either the aggregate principal amount (which changes will be allocated among several maturities of the Bonds in a manner to be specified by the Town) or individual maturities (assuming no changes in the aggregate principal amount of the Bonds).

Bidders should be advised that the amount of the reduction in the principal amount of the Bonds will be related to the amount of the premium bid on the Bonds.

Establishment of Issue Price

The successful bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town on the Closing Date an "issue price" or similar certificate, in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering prices to the public or the sales price of the Bonds together with the supporting pricing wires or equivalent communications, or, if applicable, the amount bid, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Town and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Town by UniBank Fiscal Advisory Services, Inc. (the "Municipal Advisor") and any notice or report to be provided to the Town may be provided to the Municipal Advisor.

Competitive Sale Requirements. If the competitive sale requirements ("competitive sale requirements") set forth in Treasury Regulation § 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) have been satisfied, the Town will furnish to the successful bidder on the Closing Date a certificate of the Financial Advisor, which will certify each of the following conditions to be true:

1. the Town has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders had an equal opportunity to bid;
3. the Town received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the Town awarded the sale of the Bonds to the bidder who submitted a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Unless a bidder notifies the Town prior to submitting its bid by E-mail (lynne.welsh@unibank.com) to the Municipal Advisor or in its bid submitted via Parity, that it will not be an “underwriter” (as defined below) of the Bonds, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds. Unless the bidder has notified the Town that it will not be an “underwriter” (as defined below) of the Bonds, in submitting a bid, each bidder is deemed to acknowledge that it is an “underwriter” that intends to reoffer the Bonds to the public.

In the event that the competitive sale requirements are not satisfied, the Town shall so advise the successful bidder. In this event, the Successful Bidder may use Option A, Option B or Option C below.

Failure to Meet the Competitive Sale Requirements – Option A – The Successful Bidder Intends to Reoffer the Bonds to the Public and the 10% Test to Apply. If the competitive sale requirements are not satisfied and the successful bidder intends to reoffer the Bonds to the public, the Town will use the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis, of the Bonds. The successful bidder shall advise the Municipal Advisor if any maturity of the Bonds satisfies the 10% test is satisfied as of the date and time of the award of the Bonds. The Town will not require bidders to comply with the “hold-the-offering-price rule” set forth in the applicable Treasury Regulations and therefore does not intend to use the initial offering price to the public as of the Sale Date as the issue price of the Bonds if the competitive sale requirements are not met.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds or all of the Bonds are sold to the public, the successful bidder agrees to promptly report to the Municipal Advisor the prices at which the unsold Bonds of each maturity have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied for each maturity of the Bonds or until all the Bonds of a maturity have been sold. The successful bidder shall be obligated to report each sale of Bonds to the Municipal Advisor until notified in writing by the Town or the Municipal Advisor that it no longer needs to do so. If the successful bidder chooses Option A, the successful bidder shall provide the Town on or before the Closing Date an issue price certificate substantially in the form appearing the form attached to this Notice of Sale as Exhibit 1 – Option A.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all of the Bonds of that maturity have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or that all of the Bonds of that maturity have been sold to the public if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. “public” means any person other than an underwriter or a related party,
2. “underwriter” means (A) any person that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public), and
3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Failure to Meet the Competitive Sale Requirements — Option B — The Successful Bidder Intends to Reoffer the Bonds to the Public and Agrees to Hold the Price of Maturities of Bonds for Which the 10% Test in Option A Is Not Met as of the Sale Date. The successful bidder may, at its option, notify the Municipal Advisor in writing, which may be by email (the "Hold the Price Notice"), not later than 4:00 p.m. (Eastern Daylight Savings Time) on the Sale Date, that it has not sold 10% of the maturities of the Bonds listed in the Hold the Price Notice (the "Unsold Maturities") and that the successful bidder will not offer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the successful bidder has sold at least 10% of the applicable Unsold Maturity to the public at a price that is no higher than the initial offering price to the public. If the successful bidder delivers a Hold the Price Notice to the Municipal Advisor, the successful bidder must provide to the Issuer on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Bonds, including underwriters in an underwriting syndicate or selling group, has agreed in writing to hold the price of the Unsold Maturities in the manner described in the preceding sentence. If the successful bidder chooses Option B, the successful bidder shall provide the Town on or before the Closing Date an issue price certificate substantially in the form appearing the form attached to this Notice of Sale as Exhibit 1 – Option B.

Failure to Meet the Competitive Sale Requirements and/or The Successful Bidder Does Not Intend to Reoffer the Bonds to the Public – Option C. If the successful bidder has purchased the Bonds for its own account and will not distribute, reoffer or resell the Bonds to the public, then, whether or not the competitive sale requirements were met, the issue price certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

Legal Opinion

The legality of the Bonds will be approved by KP Law, P.C., Boston, Massachusetts, whose opinion will be furnished to the purchaser without charge. The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of any statements made in the Official Statement other than matters expressly set forth as their opinion, and they make no representation that they have independently verified the same.

Documents to be Delivered at Closing

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that the bidder shall be furnished, without cost, with (a) the approving opinion of the firm of KP Law, P.C., Boston, Massachusetts, substantially in the form of Appendix C of the Preliminary Official Statement dated May 15, 2024, (b) a certificate in form satisfactory to said firm dated as of the date of delivery of the Bonds and receipt of payment therefor, to the effect that there is no litigation pending or, to the knowledge of the signers thereof, threatened affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, (c) a certificate of the Town Treasurer to the effect that, to the best of his knowledge and belief as of the date of sale, the Preliminary Official Statement, and as of the date of delivery of the Bonds, the Final Official Statement referred to below, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (d) a Continuing Disclosure Certificate substantially in the form of Appendix D of the Preliminary Official Statement.

CUSIP Identification Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond, nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The Town assumes no responsibility for any CUSIP Service Bureau or other charge that may be imposed for the assignment of such numbers.

Continuing Disclosure

In order to assist bidders in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will undertake to provide annual reports and notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

Delivery

The Bonds, in definitive form, will be delivered to the purchaser at DTC, or the offices of its custodial agent, on or about June 5, 2024, against payment in Federal Reserve funds.

Additional Information and Copies of the Official Statement

Additional information concerning the Town and the Bonds is contained in the Preliminary Official Statement dated May 15, 2024, to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. Such Preliminary Official Statement is deemed final by the Town as of its date for purposes of SEC Rule 15c2-12(b)(1).

Copies of the Preliminary Official Statement for the Bonds may be obtained from Lynne A. Foster-Welsh, Vice President, UniBank Fiscal Advisory Services, Inc., 49 Church Street, Whitinsville, Massachusetts 01588, telephone (508) 849-4223.

Within seven (7) business days following the award of the Bonds in accordance herewith, up to ten (10) copies of a Final Official Statement will be furnished to the successful bidder. Additional copies may be obtained at the purchaser's expense.

The right is reserved to reject any or all bids and to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any proposal.

**TOWN OF NORTH ATTLEBOROUGH
Massachusetts**

/s/ Christopher L. Sweet
Treasurer

Dated: May 15, 2024

[Use if Competitive Sale Requirements Are Met]

\$10,360,000*

**Town of North Attleborough, Massachusetts
General Obligation Municipal Purpose Loan of 2024 Bonds dated June 5, 2024**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of [NAME OF SUCCESSFUL BIDDER] (the “Successful Bidder”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of the Town of North Attleborough, Massachusetts (the “Issuer”).

1) Reasonably Expected Initial Offering Prices.

- (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Successful Bidder are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Successful Bidder in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Bonds.
- (b) The Successful Bidder was not given the opportunity to review other bids prior to submitting its bid.
- (c) The bid submitted by the Successful Bidder constituted a firm offer to purchase the Bonds.

2) Defined Terms.

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is May 22, 2024.
- (d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

3) Receipt The Successful Bidder hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinions and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of such Bonds, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

*Preliminary; subject to change.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by KP Law, P.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: June 5, 2024

SUCCESSFUL BIDDER

By: _____
Name:
Title:

SCHEDULE A

EXPECTED OFFERING PRICES

(To be attached)

SCHEDULE B

COPY OF UNDERWRITER'S BID

(To be attached)

**[Use If the Competitive Sale Requirements Are Not Met
and the 10% Test to Apply]**

\$10,360,000*

**Town of North Attleborough, Massachusetts
General Obligation Municipal Purpose Loan of 2024 Bonds dated June 5, 2024**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the “Successful Bidder, on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) by the Town of North Attleborough, Massachusetts (the “Issuer”).

1. **Sale of the Bonds.** As of the date of this certificate, [except as set forth the following paragraph,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price set forth in Schedule A hereto.

[Only use the next paragraph if the 10% test has not been met or all of the Bonds have not been sold as of the Closing Date.]

For each Maturity of the Bonds as to which no price is listed in Schedule A, as set forth in the Notice of Sale for the Bonds, until at least 10% of each Maturity of the Bonds is sold to the Public (the “10% test”) or all of the Bonds are sold to the public, the Successful Bidder agrees to promptly report to the Issuer’s Municipal Advisor, UniBank Fiscal Advisory Services, Inc. (the “Municipal Advisor”), the prices at which the unsold Bonds of each Maturity have been sold to the Public, which reporting obligation shall continue after the date hereof until the 10% test has been satisfied for the each Maturity of the Bonds or until all the Bonds of a Maturity have been sold. The Successful Bidder shall continue to report each sale of Bonds to the Municipal Advisor until notified by email or in writing by the Issuer or the Municipal Advisor that it no longer needs to do so.

2. **Defined Terms.**

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (c) *Underwriter* means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

*Preliminary, subject to change.

3. Receipt. The Successful Bidder hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinions and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the delivery of such Bonds, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by KP Law, P.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: June 5, 2024

SUCCESSFUL BIDDER

By: _____
Name:
Title:

SCHEDULE A

SALE PRICES

(To be attached)

**Issue Price Certificate for Use If the Competitive Sale Requirements Are
Not Met and the Hold the Price Rule Is Used**

**Town of North Attleborough, Massachusetts
\$10,360,000* General Obligation Municipal Purpose Loan of 2024 Bonds dated June 5, 2024**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the (“Successful Bidder”), on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]]hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Town of North Attleborough, Massachusetts (the “Issuer”).

1. Sale of the Bonds. As of the date of this certificate, [except as set forth in the following paragraph,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% test has not been met as of the Sale Date.]

For each Maturity of the Bonds as to which no price is listed in Schedule A (the “Unsold Maturities”), as set forth in the Notice of Sale for the Bonds, the Successful Bidder and any other Underwriter did not [and will not] reoffer the Unsold Maturities to any person at a price higher than the initial offering price to the Public until the earlier of (i) _____, 2024 or (ii) the date on which the Successful Bidder or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Receipt. The Successful Bidder hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinion and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of the Bonds, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

*Preliminary, subject to change.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by KP Law PC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: June 5, 2024

SUCCESSFUL BIDDER

By: _____

Name:

Title:

SCHEDULE A -SALE PRICES

(To be Attached)

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OFFICIAL STATEMENT

**TOWN OF NORTH ATTLEBOROUGH
MASSACHUSETTS**

**\$9,830,000
GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2024 BONDS**

INTRODUCTION

This Official Statement is provided for the purpose of presenting certain information relating to the Town of North Attleborough, Massachusetts (the "Town") in connection with the sale of \$9,830,000 General Obligation Municipal Purpose Loan of 2024 Bonds, dated June 5, 2024 (the "Bonds").

The Bonds are being offered for sale at public bidding and a Notice of Sale dated May 15, 2024, has been furnished to prospective bidders. Reference is hereby made to the Notice of Sale for the terms and conditions of bidding.

The Bonds will be general obligations of the Town for which its full faith and credit are pledged. They are not guaranteed by The Commonwealth of Massachusetts (the "Commonwealth") or any other entity. The security for the Bonds is more fully described under the caption Security and Remedies herein. See also the caption Tax Exemption herein.

Questions regarding information contained in this Official Statement or other matters should be directed to the following: Christopher L. Sweet, Treasurer, Town of North Attleborough, Massachusetts (508) 699-0114; Lynne A. Foster-Welsh, Vice President, UniBank Fiscal Advisory Services, Inc., (508) 849-4223 or Matthew G. Feher, Esq., KP Law, P.C., (617) 556-0007.

The information contained herein has been furnished by the Town, except information attributable to another governmental agency, entity or official as the source.

PART I

THE BONDS

DESCRIPTION OF THE BONDS

The Bonds will be dated June 5, 2024 and will mature on June 1 of the years and in the principal amounts as follows:

<u>Due</u> <u>June 1</u>	<u>Principal</u> <u>Amount</u>	<u>Due</u> <u>June 1</u>	<u>Principal</u> <u>Amount</u>
2025	\$575,000	2035*	\$490,000
2026	575,000	2036*	490,000
2027	570,000	2037*	490,000
2028	565,000	2038*	485,000
2029	550,000	2039*	485,000
2030	500,000	2040*	420,000
2031	500,000	2041*	420,000
2032	495,000	2042*	415,000
2033*	495,000	2043*	410,000
2034*	495,000	2044*	405,000

* *Callable maturities.*

The Bonds will bear interest at the rate or rates per annum specified by the successful bidder. The Bonds are subject to redemption prior to maturity as described herein.

Principal and semi-annual interest on the Bonds will be paid U.S. Bank Trust Company, National Association, Boston, Massachusetts, or its successor, acting as paying agent (the "Paying Agent"). Interest from the date of the Bonds will be payable on December 1, 2024, and semi-annually thereafter on each June 1 and December 1 until maturity or redemption prior to maturity. So long as The Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., is the Bondowner, such payments of principal and interest on the Bonds will be made directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein.

The Bonds are issuable only in fully registered form without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for DTC. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owner shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See Book-Entry Transfer System herein.)

RECORD DATE

The record date for each payment of interest on the Bonds (the "Record Date") is the fifteenth day of the month preceding the interest payment date, provided that, if such date is not a business day, the Record Date shall be the next succeeding business day. Under certain circumstances, the Paying Agent may establish a special record date. The special record date may not be more than twenty (20) days before the date set for payment. The Paying Agent will mail notice of a special record date to the bondholders at least ten (10) days before the special record date.

BOOK-ENTRY TRANSFER SYSTEM

The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities held by DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities held by DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities held by it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices for the Bonds shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent to vote with respect to securities held by DTC unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to an issuer of securities as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities held by DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

AUTHORIZATION AND USE OF PROCEEDS

The Bonds are authorized as follows:

<u>Amount</u>	<u>Purpose</u>	<u>Statutory Authorization</u>	<u>Vote Date</u>
<u>General Government</u>			
\$ 3,320,000	Amvet School Roof	Chapter 44, s. 7(1)	06/12/23 & 4/8/24
1,990,000	Library Repairs	Chapter 44, s. 7(1)	06/12/23
470,000	Roads	Chapter 44, s. 7(1)	06/12/23
<u>Enterprise:</u>			
\$ 950,000	Sewer -Headworks HVAC	Chapter 44, s. 7(1)	06/12/23
665,000	Sewer-Pump Station (Grimaldi)	Chapter 44, s. 7(1)	06/12/23
540,000	Sewer-SCADA	Chapter 44, s. 7(1)	06/12/23
335,000	Sewer-Primary Clarifier	Chapter 44, s. 7(1)	06/12/23
50,000	Sewer-Pump Station	Chapter 44, s. 7(1)	06/12/23
995,000	Water-Main Replace	Chapter 44, s. 8(5)	06/12/23
285,000	Water-Clearwell Baffles	Chapter 44, s. 7(1)	06/12/23
120,000	Water-Whiting St. Valve	Chapter 44, s. 7(1)	06/12/23
110,000	Water-Vehicle	Chapter 44, s. 8(7A)	06/12/23
<u>\$ 9,830,000</u>			

The proceeds of the Bonds will be used to complete the financing for the projects . The Water and Sewer Enterprise debt is self-supporting and is expected to be paid, in the first instance, from system revenues.

OPTIONAL REDEMPTION

The Bonds maturing in the years 2025 through 2032, inclusive, are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after June 1, 2033, are subject to redemption prior to maturity, at the option of the Town, on and after June 1, 2032, either in whole or in part at any time, and if in part, by lot within a maturity, at par plus accrued interest to the date set for redemption.

MANDATORY REDEMPTION

If the successful bidder designates principal amounts of the Bonds to be combined into term bonds which may be done only for principal amounts in consecutive years and only for the years after 2032, each such term bond will be subject to mandatory redemption on June 1 in each year or years immediately prior to the stated maturity of such term bonds (the particular Bonds of such maturity to be redeemed to be selected by lot) as indicated on the cover page of the Preliminary Official Statement at the principal amount thereof plus accrued interest to the redemption date.

NOTICE OF REDEMPTION

So long as DTC is the registered owner of the Bonds, notice of any redemption of Bonds, prior to their maturities, specifying the Bonds (or portions thereof) to be redeemed shall be mailed to DTC not more than 60 days nor less than 30 days prior to the redemption date. Any failure on the part of DTC to notify the DTC Participants of the redemption or failure on the part of the DTC Participants or of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner shall not affect the validity of the redemption. If moneys for the redemption are held by the Paying Agent on the redemption date and if notice of the redemption shall have been duly mailed, then from and after the redemption date interest on the Bonds (or portions thereof) called for redemption shall cease to accrue.

SECURITY AND REMEDIES

Full Faith and Credit. General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" (see "**TYPES OF OBLIGATIONS** - Serial Bonds and Notes" herein) and setoffs of state distributions (see "State Distributions" herein), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

Tax Levy. The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year "all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for (and) all amounts necessary to satisfy final judgments". Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation (see "**TAX LEVIES** - Tax Limitations" herein). In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

No Lien. Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit (see "**DEBT LIMITS**" herein). Subject to the approval of the State Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made.

Court Proceedings. Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on the bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law (see “**TAX LEVIES - Tax Limitations**” herein). In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

Restricted Funds. Massachusetts statutes also provide that certain water, gas and electric, community antenna television system, telecommunications, sewer, parking meter and passenger ferry fee, community preservation and affordable housing receipts may be used only for water, gas and electric, community antenna television system, telecommunications, sewer, parking, mitigation of ferry service impacts, community preservation and affordable housing purposes, respectively; accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, solid waste, recreational or transportation facility and for police or fire services; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. A city or town may also establish an energy revolving loan fund to provide loans to owners of privately-held property in the city or town for certain energy conservation and renewable energy projects, and may borrow to establish such a fund. The loan repayments and interest earned on the investment of amounts in the fund shall be credited to the fund. Also, the annual allowance for depreciation of a gas and electric plant or a community antenna television and telecommunications system is restricted to use for plant or system renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant or system reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

State Distributions. State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on "qualified bonds" (see “**TYPES OF OBLIGATIONS - Serial Bonds and Notes**” herein) and any other sums due and payable by the city or town to the Commonwealth, or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority or a regional transit authority of which it is a member) or for costs of the Massachusetts Water Resources Authority (the "MWRA") if the city or town is within the territory served by the MWRA, for any debt service due on obligations issued to the Massachusetts School Building Authority, or for charges necessary to meet obligations under the Commonwealth's Water Pollution Abatement or Drinking Water Revolving Loan Programs, including such charges imposed by another local governmental unit that provides wastewater collection or treatment services or drinking water treatment services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by the Commonwealth to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act has sometimes been delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

Bankruptcy. Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of Federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the Massachusetts legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Massachusetts municipalities are not currently authorized by the Massachusetts General Laws to file a petition for bankruptcy under Federal Bankruptcy laws. In cases involving significant financial difficulties faced by a single city, town or regional school district, the Commonwealth has enacted special legislation to permit the appointment of a fiscal overseer, finance control board or, in the most extreme cases, a state receiver. In a limited number of these situations, such special legislation has also authorized the filing of federal bankruptcy proceedings, with the prior approval of the Commonwealth. In each case where such authority was granted, it expired at the termination of the Commonwealth's oversight of the financially distressed city, town or regional school district. To date, no such filings have been approved or made.

OPINION OF BOND COUNSEL

A copy of the legal opinion of the firm of KP Law, P.C., of Boston, Massachusetts will be furnished to the successful bidder. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds. The opinion will be substantially in the form presented in Appendix C.

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing upon or assuming responsibility for the accuracy or adequacy of any statements made in this Official Statement other than matters expressly set forth as their opinion and they make no representation that they have independently verified the same.

TAX EXEMPTION

In the opinion of KP Law, P.C., Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds will not be included in computing the alternative minimum taxable income of Bondholders who are individuals. However, interest on the Bonds will be included in the "adjusted financial statement income" of "applicable corporations" (as such terms are defined in Sections 56A and 59, respectively, of the Code) for purposes of computing the alternative minimum tax imposed on such corporations. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. **The Bonds will NOT be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.**

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The Town has covenanted to comply with such requirements to ensure that interest on the Bonds will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Bonds. Prospective Bondholders should be aware, however, that the Bonds are included in the measure of Massachusetts estate and inheritance taxes, and the Bonds and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel expresses no opinion as to the taxability of the Bonds or the income therefrom or any other tax consequences arising with respect to the Bonds under the laws of any state other than Massachusetts.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Bonds is sold to the public, as applicable. The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Bondholders should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first reasonably expected initial offering to the public, or if applicable, at the price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds, or, in some cases, at the earlier redemption date of such Bonds ("Premium Bonds"), will be treated as having amortizable bond premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excludable from gross income for federal income tax purposes. However, a Bondholder's basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such Bondholder. Holders of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect the federal or state tax liability of a Bondholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Bonds in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders should consult with their own tax advisors with respect to such consequences.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Massachusetts legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Recently, on August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022 (H.R. 5376). For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the “adjusted financial statement income” of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with at least \$1 billion in average annual earnings, determined over a three-year period. For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective Bondholders that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Bonds.

Additionally, Bondholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of Bondholders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rate on the Bonds is not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

RATING

S&P Global Ratings has assigned a AA+ rating on the Bonds. The rating reflects only the view of the rating agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the “Rule”), the Town will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Town by not later than 270 days after the end of each fiscal year, and to provide notices of the occurrence of certain enumerated events. The covenants will be contained in a Continuing Disclosure Certificate (the “Certificate”), the proposed form of which is provided in Appendix D. The Certificate will be executed by the signers of the Bonds, and incorporated by reference in the Bonds. The Town is the only “obligated person” with respect to the Bonds within the meaning of the Rule.

The Town believes it has complied, in all material respects with its previous undertakings to provide financial information and notices of significant events in accordance with the Rule within the previous five years.

PART II

TOWN OF NORTH ATTLEBOROUGH

The Town of North Attleborough was incorporated in 1887 and is located in Bristol County. Prior to this date, the Town was part of what is now, the City of Attleboro. Both communities have a rich history in the manufacturing sector, particularly jewelry manufacturing. In 1855, the Town boasted 24 establishments making approximately \$1,000,000 annually in jewelry. The major contributor to this success was brought about by the Civil War and the Army's request for badges and medals. Today, North Attleborough is a predominantly residential community.

On April 1, 2019, the voters adopted a new Charter, effective July 1, 2019, that changed the form of government from a selectmen-representative town meeting to a council-manager form of government. The Town elected 9 council members at-large serving two-year terms. The positions of Clerk, Treasurer and Collector became appointed positions.

The High School's official team mascot is the Red Rocketeers, which derives its name from the unique red rocks found only in northern Bristol County and Cumberland, RI.

CONSTITUTIONAL STATUS and FORM OF GOVERNMENT

Massachusetts cities and towns are subject to the plenary legislative power of the Commonwealth. As stated by the Supreme Judicial Court:

A town is not an independent sovereignty. It is merely a subordinate agency of the State Government. It is a creature of the Commonwealth, from which are derived all its powers and those of its voters and officers.

Cities and towns provide general governmental services at the local level. Municipalities were traditionally authorized to exercise only those powers granted by the State legislature, but Massachusetts adopted a Home Rule Amendment to its Constitution in 1966, under which a city or town may exercise by ordinance or by-law any power which the State legislature could confer upon it, provided that the ordinance or by-law is consistent with the laws enacted by the State legislature. Certain powers are excluded from home rule and may still be exercised only when authorized by State law; these powers include the power to levy taxes, the power to borrow money, and the power to enact private or civil law governing civil relationships except as an incident to the exercise of an independent municipal power. Under the Home Rule Amendment, the State legislature may enact general laws relating to a class of two or more municipalities but (except in limited circumstances) may enact a special law relating to a particular city or town only on request of the city or town or on recommendation of the Governor and passage by a two-thirds vote of both houses of the legislature.

An amendment to the State Constitution provides that any law imposing additional costs on two or more cities or towns by regulating aspects of municipal employment will not be effective within a city or town until the city council or town meeting accepts the law. Local acceptance will not be required if the legislature has either passed the law by a two-thirds vote or provided that the additional costs would be assumed by the State.

Cities and towns may change their form of government by adopting home rule charters or amending existing charters. A town of less than 12,000 population may not change to a city form of government and a town of less than 6,000 inhabitants may not change from the open town meeting form of government to a limited or representative town meeting form.

Cities are generally governed by a city council and an elected mayor who has the power to veto council actions; the council may override a mayoral veto by a two-thirds vote of the councilors. Some cities are governed by a city council and an appointed city manager who has no power to veto council actions; some municipalities, although still called "towns," have adopted a similar city form of government with a town council and town manager or administrator. Provision is often made for a referendum on council actions, and for initiation of measures, upon petition of a sufficient number of voters.

Most towns are governed by open town meetings in which any voter may participate. Others have an elected representative town meeting, often with public officers serving as ex officio members of the town meeting. Provision is usually made for a referendum on actions of the representative town meeting upon petition of a sufficient number of voters. Administrative affairs are generally managed by a board of three or more selectmen, sometimes with the assistance of a town manager or executive secretary.

School affairs of cities and towns are administered by an elected school committee, except in those towns whose educational functions are carried out entirely through a regional school district.

GOVERNING BODIES AND OFFICERS

All legislative powers of the Town are exercised by the Town Council. The administration of all Town fiscal, business and municipal affairs are vested in the Town Manager. Appointments made by the Town Manager of department heads and members of multiple boards are subject to confirmation by the Town Council. Town elections are held the first Tuesday in April.

Local school affairs are administered by a school committee of seven persons while local taxes are assessed by a board of three assessors all elected on an at-large basis for staggered three-year terms.

The Board of Public Works, which is responsible for water and sewer services as well as the Board of Electric Light Commissioners each consist of three members elected for staggered three-year terms, on an at-large basis.

The following is a list of the principal executive officers:

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term Expires</u>
Councilors	Justin Paré, President	Elected/President	2025
	John D. Simmons, Vice-President	Elected/Vice-President	2025
	Andrew Shanahan	Elected/Member	2025
	Mark Gould, Esq.	Elected/Member	2025
	John Costello	Elected/Member	2025
	Darius Gregory	Elected/Member	2025
	Patricia St. Pierre	Elected/Member	2025
	Andrea Slobogan	Elected/Member	2025
	Daniel Donovan	Elected/Member	2025
Town Manager	Michael Borg	Appointed by Town Council	2027
Town Accountant	Linda Catanzariti	Appointed by Town Manager	Indefinite
Treasurer/ Collector	Christopher L. Sweet	Appointed by Town Manager	Indefinite
Town Clerk	Patricia McNielly	Appointed by Town Manager	Indefinite
Town Counsel	KP Law P.C.	Appointed by Town Manager	Indefinite

SERVICES

The Town provides general governmental services for the territory within its boundaries including police and fire protection, disposal of garbage and rubbish, public education in grades kindergarten through twelve, a library, water and sewer services, electric services, streets, parks and recreation.

The Tri-County Regional Vocational Technical School District provides vocational-technical education in grades nine through twelve while the North Attleborough Housing Authority provides public housing for eligible low-income families, the elderly and the handicapped.

COVID-19

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

On May 18, 2020, the Governor of The Commonwealth of Massachusetts announced a phased plan to reopen businesses and services. As of May 29, 2021, all remaining COVID-19 restrictions were lifted and the State of Emergency in the Commonwealth ended as of June 15, 2021.

In response to the COVID-19 pandemic, federal and state legislation was signed into law that provides various forms of financial assistance and other relief to state and local governments. Among these are the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") and the American Rescue Plan (the "ARP") Act of 2021. The Town was eligible to receive up to \$2,587,634 in CARES funding, and to date, the Town has received \$2,369,809. The Town has received \$8,203,857 in ARPA Funds.

CYBERSECURITY

The Town has procedures in place regarding cyber security as well as training for Town employees.

AUTHORIZATION OF GENERAL OBLIGATION BONDS AND NOTES

Generally, serial bonds and notes are authorized by a two-thirds vote of the Town Council and are subject to a referendum period. Borrowings for some purposes require State administrative approval.

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

DEBT LIMITS

General Debt Limit. The General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit for the Town is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The Town can authorize debt up to this amount without state approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes; emergency loans; loans exempted by special laws; certain school bonds, sewer bonds, solid waste disposal facility bonds and economic development bonds supported by tax increment financing; and subject to special debt limits, bonds for water (limited to 10 percent of equalized valuation), housing, urban renewal and economic development (subject to various debt limits), and electric, gas, community antenna television systems, and telecommunications systems (subject to separate limits). Revenue bonds are not subject to these debt limits. The General Debt Limit and the special debt limit for water bonds apply at the time the debt is authorized. The other special debt limits generally apply at the time the debt is incurred.

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

TYPES OF OBLIGATIONS

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

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

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

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

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

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

Grant Anticipation Notes. These are issued for temporary financing in anticipation of federal grants and state and county reimbursements. They must generally mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

Revenue Bonds. Cities and towns may issue revenue bonds for solid waste disposal facilities and for projects financed under the Commonwealth's Water Pollution Abatement or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition to general obligation bonds and notes, cities and town having electric departments may issue electric revenue bonds and notes in anticipation of such bonds, subject to approval of the State Department of Telecommunications and Energy. The Town does have an electric department.

DEBT ⁽¹⁾

The following shows the direct debt to be outstanding as of June 5, 2024, including the Bonds:

General Obligation Bonds

Within General Debt Limit ⁽²⁾

Sewers & Wastewater ⁽⁴⁾	\$ 5,837,948
School Buildings ⁽³⁾	1,385,000
Other School	3,555,000
Other Building	3,730,000
Departmental Equipment	3,355,000
Other Inside General	5,915,000
The Bonds	<u>8,725,000</u>

Total Inside General Debt Limit: \$ 32,502,948

Outside General Debt Limit

Water ⁽⁴⁾	\$ 10,656,417
Sewers ⁽⁴⁾	19,371,916
Schools ⁽³⁾	1,850,000
Other Outside	150,000
The Bonds	<u>1,105,000</u>

Total Outside General Debt Limit: 33,133,333

Total Outstanding General Obligation Bonds \$ 65,636,281

Temporary Loans in Anticipation of

Revenue	\$ 0
Bonds	0
Grants	<u>0</u>

Total Temporary Loans 0

Total Long-Term Indebtedness \$ 65,636,281⁽⁵⁾

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

⁽²⁾ At the present time, the normal general debt limit is \$239,233,460 and the double general debt limit (see "Debt Limits" herein) is \$478,466,920.

⁽³⁾ The Town has been receiving and expects to continue to receive a State grant for 72% of eligible construction and interest cost for the school projects.

⁽⁴⁾ **All water, sewer and electric debt is expected to be self-supporting.** The Town of North Attleborough entered into an inter-municipal agreement to provide the Town of Plainville with access to the Town's sewer treatment facilities. Under this agreement, which was initially signed in April 1967 and amended from time to time, the Town of Plainville is responsible for 23.5% of the construction costs, as well as operation and maintenance of the sewer facilities. The latest amendment to this agreement was on June 30, 2005 and extends the contract for an additional 20 years.

⁽⁵⁾ Debt service on \$35,376,281 of currently outstanding bonds, as well as \$4,050,000 of the Bonds, is expected to be paid from water and sewer rates and charges.

AUTHORIZED UNISSUED DEBT & PROSPECTIVE FINANCING

After this issuance of Bonds the Town will have \$11,750,000 authorized and unissued debt which consists of \$10,000,000 for PFAs removal system. Debt service for this project will be financed through the Massachusetts Clean Water Trust, \$900,000 for the High School athletic complex; \$500,000 for roads and \$350,000 for a 6-wheel vehicle for the highway department.

FIVE YEARS OUTSTANDING DEBT ⁽¹⁾

	As of June 30:				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Within the General Debt Limit:					
Building	\$ 3,235,000	\$ 1,685,000	\$ 2,300,000	\$ 2,665,000	\$ 3,280,000
Departmental Equipment	4,100,000	4,430,000	1,610,000	1,095,000	1,690,000
School Buildings	1,555,000	1,815,000	1,915,000	945,000	1,200,000
School Other	4,260,000	2,670,000	1,570,000	1,895,000	2,385,000
Sewers & Drains	7,747,844	9,043,499	7,499,828	8,707,088	9,975,192
Other Inside	<u>6,980,000</u>	<u>7,915,000</u>	<u>7,910,000</u>	<u>7,620,000</u>	<u>8,280,000</u>
Total Within General Debt Limit	<u>\$27,877,844</u>	<u>\$27,558,499</u>	<u>\$22,804,828</u>	<u>\$22,927,088</u>	<u>\$26,810,192</u>
Outside the General Debt Limit					
Gas & Electric Utility	60,000	120,000	180,000	240,000	300,000
School Buildings	2,045,000	2,235,000	2,455,000	2,675,000	2,895,000
Sewers & Drains	20,277,974	20,247,255	20,895,032	21,746,572	22,587,133
Solid Waste & Landfill	0	100,000	210,000	320,000	631,650
Water	8,355,000	7,670,000	7,735,000	6,799,988	7,804,976
Other Outside	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>371,913</u>
Total Outside General Debt Limit	<u>\$30,737,974</u>	<u>\$30,372,255</u>	<u>\$31,475,032</u>	<u>\$31,781,560</u>	<u>\$34,590,672</u>
Total Long Term Indebtedness	<u>\$58,615,819</u>	<u>\$57,930,754</u>	<u>\$54,279,860</u>	<u>\$54,708,648</u>	<u>\$61,400,864</u>
Debt As a Percentage of Assessed Value (2)	1.14%	1.28%	1.27%	1.34%	1.55%
Debt As a Percentage of Equalized Value (3)	1.23%	1.32%	1.24%	1.36%	1.53%
Per Capita Debt Using 2020 Census	\$1,901	\$1,879	\$1,760	\$1,774	\$1,991
Per Capita Debt as a percentage of per capita income	3.55%	3.51%	3.29%	3.31%	3.72%
Assessed Value(\$000)	\$5,150,532	\$4,539,739	\$4,260,034	\$4,087,757	\$3,968,994
Equalized Value(\$000)	\$4,784,669	\$4,386,403	\$4,386,403	\$4,009,149	\$4,009,149
2020 Census Population	30,834	30,834	30,834	30,834	30,834
Per Capita Income (2)	\$53,566	\$53,566	\$53,566	\$53,566	\$53,566

(1) Principal amount only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability, and OPEB.

(2) Source: Board of Assessors - Assessed valuation as of the prior January 1.

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

CAPITAL IMPROVEMENT PROGRAM

The following is the Capital Outlay Plan of the Town for fiscal years 2024 through 2027:

	As of June 30			
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Town Manager	\$ 100,000	\$ 100,000	\$ 30,000	\$ -
Conservation Commission	85,000	100,000	25,000	-
Department of Public Works	2,655,000	1,590,000	2,755,000	4,810,000
Fire Department	350,000	330,000	20,100,000	350,000
Police Department	-	349,000	382,000	350,000
Parks and Recreation	152,500	1,709,000	798,000	140,000
School Department	<u>725,000</u>	<u>1,400,000</u>	<u>50,000</u>	<u>200,000</u>
Total Non-Enterprise	<u>\$4,067,500</u>	<u>\$5,578,000</u>	<u>\$24,140,000</u>	<u>\$5,850,000</u>
Sewer Enterprise	1,300,000	1,100,000	595,000	300,000
Water Enterprise	1,795,000	1,270,000	745,000	-
Solid Waste	<u>1,004,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals:	<u>\$8,167,000</u>	<u>\$7,948,000</u>	<u>\$25,480,000</u>	<u>\$6,150,000</u>

ANNUAL DEBT SERVICE ⁽¹⁾

Fiscal Year	Outstanding as of June 5, 2024		Current Issue ⁽³⁾		Total Debt Service	Percent Principal Retired ⁽⁴⁾
	Principal ⁽²⁾	Interest ⁽²⁾	Principal	Interest		
2024	\$ 125,000	\$ 24,850	\$ 0	\$ 0	\$ 149,850	0.2%
2025	5,717,131	1,475,540	575,000	441,440	8,209,111	9.8
2026	5,420,798	1,277,630	575,000	417,650	7,691,078	18.9
2027	4,826,791	1,091,012	570,000	388,900	6,876,703	27.1
2028	4,091,095	927,795	565,000	360,400	5,944,290	34.2
2029	3,591,270	813,147	550,000	332,150	5,286,567	40.5
2030	3,474,922	707,438	500,000	304,650	4,987,010	46.6
2031	3,253,899	615,759	500,000	279,650	4,649,308	52.3
2032	3,085,265	528,422	495,000	254,650	4,363,337	57.8
2033	2,533,544	444,218	495,000	229,900	3,702,662	62.4
2034	2,487,141	380,814	495,000	205,150	3,568,105	66.9
2035	2,121,067	322,474	490,000	180,400	3,113,941	70.9
2036	2,130,326	275,883	490,000	160,800	3,057,009	74.9
2037	2,089,931	229,057	490,000	141,200	2,950,188	78.8
2038	2,049,889	182,988	485,000	121,600	2,839,477	82.7
2039	1,730,209	138,267	485,000	102,200	2,455,676	86.1
2040	1,635,900	104,966	420,000	82,800	2,243,666	89.2
2041	1,651,972	74,601	420,000	66,000	2,212,573	92.4
2042	1,518,434	43,856	415,000	49,200	2,026,490	95.3
2043	1,385,295	15,722	410,000	32,600	1,843,617	98.0
2044	521,992	0	405,000	16,200	943,192	99.4
2045	364,408	0	0	0	364,408	100.0
	<u>\$55,806,279</u>	<u>\$9,674,439</u>	<u>\$9,830,000</u>	<u>\$4,167,540</u>	<u>\$79,478,258</u>	

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

⁽²⁾ **Principal of \$35,376,281 and interest of \$5,415,635 is expected to be self-supporting.**

⁽³⁾ **Debt service on \$4,050,000 of water and sewer Bonds are expected to be self-supporting.**

⁽⁴⁾ Includes the current issue.

REVENUE ANTICIPATION BORROWING

The Town has not borrowed in anticipation of revenue since fiscal 1989 and does not anticipate the need to borrow in the future as it has instituted quarterly tax billing.

CONTRACTS

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

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

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, (see “Constitutional Status and Form of Government” herein), cities and towns may also be empowered to make other contracts and leases.

The Town has a contract with Waste Management of Massachusetts to provide for solid waste recycling and collection and disposal. The five-year contract expires on June 30, 2028. The Town has budgeted \$2,937,566.08 for Fiscal Year 2024.

The Town contracts with WT Holmes for school bus services. The contract expires on June 30, 2025. The Town paid \$1,362,261 for the bus service in fiscal 2023 and has budgeted \$1,535,440 for fiscal 2024.

Through its electric department, the Town is a participant in the Massachusetts Municipal Wholesale Electric Company (“MMWEC”), a public corporation of The Commonwealth of Massachusetts.

The Town does not have any additional long-term contracts of a substantial nature.

OVERLAPPING ASSESSMENTS

The following table sets forth the portion of overlapping assessments to the Town: ⁽¹⁾

	<u>Outstanding</u>	<u>Authorized Unissued</u>	<u>Assessments for Operations and Debt Service Fiscal 2024</u>
Bristol County ⁽²⁾	\$47,640,000	\$0	\$547,384
Tri-County Regional Vocational School District ⁽³⁾	\$0	\$285,992,692	\$3,579,776
Greater Attleboro-Taunton Regional Transit Authority ⁽⁴⁾	\$0	\$0	\$236,871

⁽¹⁾ Excludes temporary loans in anticipation of revenue. Omits debt of the Commonwealth.

⁽²⁾ Source: *The Town of North Attleborough-County tax assessment and Bristol County Agricultural High School assessments.*

⁽³⁾ Source: *Tri-County Regional Vocational School District. Debt as of June 5, 2024. The operating expenses and debt service of the regional school district are apportioned among the member communities. The shares of the Members vary from year to year based upon pupil enrollment. The other Member Towns of the District are Franklin, Medfield, Medway, Millis, Norfolk, Plainville, Seekonk, Sherborn, Walpole and Wrentham. The District School Committee voted \$285,992,692 on September 20, 2023 to build a new vocational school. The voters approved the project at a District election held on October 24, 2023. The District expects to receive a Massachusetts School Building Authority grant for 28% of eligible project cost. The Town of Attleborough's share of the project is approximately 25%.*

⁽⁴⁾ Source: *Greater Attleboro-Taunton Regional Transit Authority. Debt as of June 5, 2024. The Authority currently has \$8,200,000 revenue anticipation notes outstanding which will mature August 16, 2024. The other Member Towns of the Authority are Bellingham, Berkley, Carver, Dighton, Duxbury, Foxborough, Franklin, Hanover, Kingston, Lakeville, Mansfield, Marshfield, Medway, Middleborough, Norfolk, Norton, Pembroke, Plainville, Plymouth, Raynham, Rehoboth, Scituate, Seekonk, Wareham and Wrentham as well as the Cities of Attleboro and Taunton.*

RETIREMENT PLAN

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

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

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. Each system's retirement funding schedule is designed to reduce the unfunded actuarial pension liability of the system to zero by not later than June 30, 2040, with annual increases in the scheduled payment amounts of not more than 4.5 percent. The funding schedule must

provide that payment in any year of the schedule is not less than 95 percent of the amount appropriated in the previous fiscal year. City, town and county systems which have an approved retirement funding schedule receive annual pension funding grants from the Commonwealth for the first 16 years of such funding schedule. Pursuant to recent legislation, a system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

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

The Town participates in the North Attleboro Contributory Retirement System (the "System").

The annual contributions of the Town to the Retirement System for the most recent years are set forth below:

<u>Fiscal Year</u>	<u>Contributory</u>
2025	\$4,419,584
2024	4,164,311
2023	3,991,219
2022	3,779,564
2021	3,624,590

As of January 1, 2022, the total estimated accrued liability of the Town's past service liability was \$194,416,002, and its assets were \$150,016,366, leaving an estimated unfunded liability of \$44,399,636, assuming a 7.00% rate of return. The System has approximately 821 active members and 325 retired members (includes disabled persons and beneficiaries).

It is the intent of the Town to update the actuarial valuation and funding schedule every three years, and to base its annual contributory retirement appropriation on the funding schedule contained therein. Based upon the above calculation, the Town is projected to fully fund its liability by June 30, 2034.

OTHER POST-EMPLOYMENT BENEFITS

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

The expenses paid at the end of fiscal years 2019-2023:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 884,284
2022	794,858
2021	1,996,078
2020	1,868,654
2019	1,703,705

The Governmental Accounting Standards Board (“GASB”) Statement No. 75, “Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions”, replaces the requirements of Statement No. 45, “Accounting and Financial Reporting by Employers for Post-Employment Benefits other Than Pensions”. Statement 75 introduces a new actuarial cost method and discount rate as well as new disclosure and methodologies for reporting plan liability and OPEB expenses. It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The net other post-employment benefits liability reported in the Town’s statement of net position under the new standards differs from the net other post-employment benefit obligation previously reported.

The Town has implemented the GASB reporting requirements with respect to other post-employment benefits. According to the most recent valuation report dated, July 1, 2021 (measurement date of June 30, 2023), the Town’s net OPEB liability as of June 30, 2023 was \$156,188,003. The discount rate was changed from the prior valuation report to 5.92% from 5.74%. The funding ratio is 4.26%.

In June 2011, Town Meeting voted to accept a state statute that would allow the Town to establish a trust fund for the Town’s OPEB liability. As of June 30, 2023, the Town has a balance of \$6,634,813 in the OPEB Trust Fund. The Town appropriated \$974,851 in fiscal 2024 to the Fund (includes water, sewer and solid waste enterprise funds). \$580,000 of this amount was appropriated to the General Government OPEB.

PROPERTY TAXATION AND VALUATION

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

Related statutes provide that certain forestland, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forestland is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a redetermination of the fair cash value of the taxable property in each municipality. This is known as the "equalized value" (see “Debt Limits” herein).

VALUATIONS

The following shows the assessed and equalized valuations for the current and most recent fiscal years:

	Fiscal Year Ending June 30: (\$000)				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Real Property (1)	\$5,673,576	\$5,059,415	\$4,462,622	\$4,195,707	\$4,020,586
Personal Property (1)	<u>99,764</u>	<u>91,117</u>	<u>77,117</u>	<u>64,327</u>	<u>67,170</u>
Total Assessed Value	<u>\$5,773,340</u>	<u>\$5,150,532</u>	<u>\$4,539,739</u>	<u>\$4,260,034</u>	<u>\$4,087,757</u>
Equalized Value (2)	\$4,784,669	\$4,784,669	\$4,386,403	\$4,386,403	\$4,009,149
Percent of Total Assessed Value to Equalized Value	120.7%	107.6%	103.5%	97.1%	102.0%

(1) As of January 1 of Prior Fiscal Year.

(2) Based on the equalized valuation in effect for each year as determined every even numbered year by State Department of Revenue.

The following table shows the breakdown of the total assessed valuation for fiscal years 2024, 2023 and 2022 by classification:

	Fiscal Year Ending June 30: (\$000)					
	<u>2024</u>		<u>2023</u>		<u>2022</u>	
	<u>Valuation</u>	<u>% of Total</u>	<u>Valuation</u>	<u>% of Total</u>	<u>Valuation</u>	<u>% of Total</u>
Residential	\$4,967,046	86.03%	\$4,363,545	84.72%	\$3,796,133	83.62%
Commercial	582,900	10.10%	577,015	11.20%	558,979	12.31%
Industrial	123,630	2.14%	118,855	2.31%	107,509	2.37%
Personal	<u>99,764</u>	<u>1.73%</u>	<u>91,117</u>	<u>1.77%</u>	<u>77,117</u>	<u>1.70%</u>
Total	<u>\$5,773,340</u>	<u>100.00%</u>	<u>\$5,150,532</u>	<u>100.00%</u>	<u>\$4,539,739</u>	<u>100.00%</u>

(1) As of January 1 of Prior Fiscal Year.

(2) Based on the equalized valuation in effect for each year as determined every even numbered year by State Department of Revenue.

TAX RATES

The following shows the actual tax rates per \$1,000 of assessed valuation for the current and most recent fiscal years:

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Personal Property</u>	<u>Average Tax Rate</u>	<u>Full Value Tax Rate</u>
2024	11.54	15.52	15.52	15.52	12.09	14.59
2023	12.79	15.48	15.48	15.44	13.19	14.20
2022	13.93	17.06	17.06	17.04	14.44	14.94
2021	14.27	17.43	17.43	17.41	14.76	14.33
2020	14.35	17.56	17.56	17.54	14.87	15.16

LARGEST TAXPAYERS ⁽¹⁾

The following is a list of the largest taxpayers:

<u>Name</u>	<u>Nature of Business</u>	<u>Fiscal 2024 Assessed Valuation</u>	<u>Amount of Tax</u>	<u>% of Total Levy</u>
Mayflower Emerald Square LLC	Emerald Square Mall	\$ 60,643,500	\$ 941,029	1.35%
North Attleborough Marketplace II LLC	Shopping Plaza	39,754,900	616,996	0.88
JSIP 21 East QOZ Property Owner LLC	Condominiums	46,659,100	538,446	0.77
J & R Associates	Res./Comm. Property Mgmts.	29,920,100	345,278	0.49
New England Natural Gas Co	Utility	22,126,390	342,516	0.49
North Attleborough Marketplace, LLC	Shopping Plaza	18,846,500	292,497	0.42
New England Power Company	Utility	17,353,150	268,679	0.38
Paramount Fashion at Attleboro LLC	Shopping Plaza	16,329,700	253,436	0.36
CLC North Attleboro LLC	Shopping Plaza	15,752,900	244,318	0.35
Dayton Hudson Corporation	Department Store	14,183,600	220,129	0.32
	Total	<u>\$281,569,840</u>	<u>\$4,063,324</u>	<u>5.82%</u>

⁽¹⁾ All of the largest taxpayers listed above are current on their real estate taxes and personal property taxes.

TAX LEVIES

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

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

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

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

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

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

Tax Limitations. Chapter 59, Section 21C of the General Laws, also known as "Proposition 2½ ", imposes two separate limits on the annual tax levy of a city or town.

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

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

This "growth" limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently. In addition, if the voters vote to approve taxes in excess of the "growth" limit for the purpose of funding a stabilization fund, such increased amount may only be taken into account for purposes of calculating the maximum levy limit in each subsequent year if the board of selectmen of a town or the city council of a city votes by a two-thirds vote to appropriate such increased amount in such subsequent year to the stabilization fund. The applicable tax limits may also be reduced in any year by a majority vote of the voters.

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

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculations of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before October 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro-rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

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

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

Pledged Taxes. Taxes on certain property in designated development districts may be pledged for the payment of costs of economic development projects within such districts and may therefore be unavailable for other municipal purposes (see “Tax Increment Financing for Development Districts” herein).

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

CALCULATION OF TAX LEVIES

The following table shows the details of the calculation of the tax levies for the current and most recent fiscal years:

	Fiscal Year Ending June 30: (\$000)				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Gross Amount to be Raised					
Appropriations	\$ 122,020	\$ 120,212	\$ 111,742	\$ 104,615	\$ 107,637
Other Local Expenditures	154	97	61	38	37
State and County Charges	5,994	5,945	5,801	4,801	5,096
Overlay Reserve	<u>625</u>	<u>808</u>	<u>1,202</u>	<u>1,217</u>	<u>856</u>
Total Amount to be Raised	<u>\$ 128,793</u>	<u>\$ 127,062</u>	<u>\$ 118,806</u>	<u>\$ 110,671</u>	<u>\$ 113,626</u>
Less Estimated Receipts From:					
State	\$ 25,546	25,158	24,587	24,244	24,441
Local	24,819	22,932	22,062	20,990	23,859
Available Funds Appropriated:					
Free Cash	4,938	8,915	4,600	686	2,364
Other Available Funds	3,348	1,716	1,641	1,535	1,860
Free Cash & Other Revenue Used to Reduce the Tax Rate	<u>340</u>	<u>382</u>	<u>364</u>	<u>356</u>	<u>330</u>
Total Estimated Receipts and Revenue	<u>\$ 58,991</u>	<u>\$ 59,103</u>	<u>\$ 53,255</u>	<u>\$ 47,812</u>	<u>\$ 52,854</u>
Net Amount to be Raised (Tax Levy)	<u>\$ 69,802</u>	<u>\$ 67,959</u>	<u>\$ 65,551</u>	<u>\$ 62,859</u>	<u>\$ 60,772</u>

(1) Source: Massachusetts Department of Revenue.

TAX COLLECTIONS AND ABATEMENTS

Payment Dates. The Town has accepted a statute providing for quarterly tax payments. Under the statute, preliminary tax payments are to be due on August 1 and October 1 with payment of the actual tax bill (after credit is given for the preliminary payments) in installments on February 1 and April 1 if actual tax bills are mailed by December 31. The Town voted to institute quarterly tax bills in fiscal 1991. Interest accrues on delinquent taxes at the rate of 14 per cent per annum.

Lien. Real property (land and buildings) is subject to a lien for the taxes assessed upon it subject to any paramount federal lien and subject to bankruptcy and insolvency laws. (In addition, real property is subject to a lien for certain unpaid municipal charges or fees.) If the property has been transferred, an unenforced lien expires on the fourth December 31 after the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment.

Personal Liability. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws.) In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described in “Taking and Sale” herein.

The following shows the total tax levy, the reserve for abatements, the net levy and the amounts collected during each fiscal year and as of a more recent date for the current and each of the most recent fiscal years:

	Fiscal Year Ending June 30: (\$000)				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Tax levy	\$69,801	\$67,959	\$65,551	\$62,859	\$60,772
Overlay Reserve for Abatements	<u>625</u>	<u>808</u>	<u>1,202</u>	<u>1,217</u>	<u>856</u>
Net Tax Levy (1)	<u>\$69,176</u>	<u>\$67,150</u>	<u>\$64,349</u>	<u>\$61,642</u>	<u>\$59,916</u>
Amount Collected					
During Fiscal Year Payable (2)	\$51,484	\$66,683	\$64,199	\$62,269	\$59,167
Percent of Net Tax Levy	74.42%	99.31%	99.77%	101.02%	98.75%

(1) Net after deduction of overlay reserve for abatements.

(2) Actual collections of levy less refunds and amounts refundable. Includes proceeds of tax titles and tax possessions attributed to levy but not including abatements or other credits. Fiscal 2024 collections are as of March 31, 2024.

Abatements and Overlay. A city or town is authorized to increase each tax levy by an amount approved by the State Commissioner of Revenue as an "overlay" to provide for tax abatements. If abatements are granted in excess of the applicable overlay, the excess is required to be added to the next tax levy.

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

The following shows the abatements granted during the fiscal year as well as through a more recent date for the current and each of the most recent fiscal years:

	Fiscal Year Ending June 30: (\$000)				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Tax levy	\$69,801	\$67,959	\$65,551	\$62,859	\$60,772
Overlay Reserve for Abatements	\$625	\$808	\$1,202	\$1,217	\$856
Percent of Tax Levy	0.90%	1.19%	1.83%	1.94%	1.41%
Abatements Granted:					
During Fiscal Year of Levy (2)	\$384	\$234	\$464	\$123	\$275

(1) Source: Massachusetts Department of Revenue.

(2) As of April 15, 2024 for fiscal year 2024.

Taking and Sale. Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for non-payment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments), it can be foreclosed by petition to the Land Court. Upon foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal purposes.

Sales Tax Receivables. Cities and towns are authorized to sell delinquent property tax receivables by public sale or auction, either individually or in bulk.

TOWN FINANCES

Budget and Appropriation Process

By the first Council Meeting in April, the Town Manager must submit a final proposed budget to the Town Council. The Town Council, in turn, publishes a notice to be posted in the Clerk's office and on the Town's website, and holds a public hearing for the purpose of discussing the proposed budget. The Town Council then adopts a budget, with or without amendment, fifteen days prior to the start of the ensuing fiscal year.

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

The school budget is limited to the total amount appropriated by the Town Council, but the school committee retains full power to allocate the funds appropriated. State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. Funding of the Town's School Department's budget has exceeded the minimum required contribution under the State's Education Reform Act since 1993.

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

BUDGET COMPARISON⁽¹⁾

The following table sets forth the budgets for fiscal years 2020-2024:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Government	\$ 24,773,331	\$ 24,514,890	\$ 25,785,731	\$ 26,536,454	\$ 18,926,959
Public Safety	14,407,705	12,714,770	12,355,657	11,666,518	11,278,140
Inspections	305,782	294,783	294,131	278,352	262,715
Health and Sanitation	366,615	354,879	350,530	3,600,326	3,324,977
Public Works ⁽¹⁾	17,367,509	16,379,116	15,315,820	12,650,524	12,654,742
Education	52,566,854	50,913,648	48,965,356	46,664,647	46,698,873
Library	705,906	699,297	690,535	609,364	659,260
Parks and Recreation	818,458	754,152	724,325	601,066	590,460
Human Services	738,771	1,084,359	780,334	833,301	752,366
Retirement	3,801,532	3,630,326	3,437,809	3,283,025	3,080,964
Other	-	-	1,244,820	-	-
Debt	<u>3,774,867</u>	<u>4,265,576</u>	<u>3,762,050</u>	<u>3,477,860</u>	<u>4,159,231</u>
Total:	<u>\$119,627,330</u>	<u>\$115,605,796</u>	<u>\$113,707,098</u>	<u>\$110,201,437</u>	<u>\$102,388,687</u>

⁽¹⁾ Includes Solid Waste, Sewer and Water Enterprise Funds.

STATE AID

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

In the fall of 1986, both the State Legislature (by statute repealed as of July 1, 1999) and the voters (by initiative petition) placed limits on the growth of state tax revenues. Although somewhat different in detail, each measure essentially limited the annual growth in state tax revenues to an average rate of growth in wages and salaries in the Commonwealth over the three previous calendar years. If not amended, the remaining measure could restrict the amount of state revenues available for state aid to local communities.

The following table sets forth the amount of State aid to the Town in recent years and the budgeted amount for fiscal year 2024 (the amounts do not include any MSBA School Construction Aid which is distributed by the Massachusetts School Building Authority):

<u>Fiscal Year</u>	<u>Total State Aid</u>
2024 (budgeted)	\$25,546,379
2023	25,158,314
2022	24,587,230
2021	24,479,807
2020	24,351,189
2019	24,344,325

STATE SCHOOL BUILDING ASSISTANCE PROGRAM

Under its school building assistance program, The Commonwealth of Massachusetts provides grants to cities, towns and regional school districts for school construction projects. Until July 26, 2004, the State Board of Education was responsible for approving grants for school projects and otherwise administering the program. Grant amounts ranged from 50% to 90% of approved project costs. Municipalities generally issued bonds to finance the entire project cost, and the Commonwealth disbursed the grants in equal annual installments over the term of the related bonds.

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

Projects previously approved for grants by the State Board of Education are entitled to receive grant payments from the Authority based on the approved project cost and reimbursement rate applicable under the prior law. The Authority has paid and is expected to continue to pay the remaining amounts of the grants for such projects either in annual installments to reimburse debt service on bonds issued by the municipalities to finance such projects, or as lump sum payments to contribute to the defeasance of such bonds.

Projects on the priority waiting list as of July 1, 2004 are also entitled to receive grant payments from the Authority based on the eligible project costs and reimbursement rates applicable under the prior law. With limited exceptions, the Authority is required to fund the grants for such projects in the order in which they appear on the waiting list. Grants for any such projects that have been completed or substantially completed have been paid and are expected to continue to be paid by the Authority in lump sum payments, thereby eliminating the need for the Authority to reimburse interest expenses that would otherwise be incurred by the municipalities to permanently finance the Authority's share of such

project costs. Interest on debt issued by municipalities prior to July 1, 2004 to finance such project costs, and interest on temporary debt until receipt of the grant, is included in the approved costs of such projects. Grants for any such projects that have not yet commenced or that are underway have been and are expected to continue to be paid by the Authority as project costs are incurred by the municipality pursuant to a project funding agreement between the Authority and the municipality, eliminating the need for the municipality to borrow even on a temporary basis to finance the Authority's share of the project costs in most cases.

The range of reimbursement rates for new project grant applications submitted to the Authority on or after July 1, 2007 has been reduced to between 40% and 80% of approved project costs. The Authority promulgated new regulations with respect to the application and approval process for projects submitted after July 1, 2007. The Authority expects to pay grants for such projects as project costs are incurred pursuant to project funding agreements between the Authority and the municipalities. None of the interest expense incurred on debt issued by municipalities to finance their portion of the costs of new projects will be included in the approved project costs eligible for reimbursement.

MOTOR VEHICLE EXCISE

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

The following table sets forth the amount of motor vehicle excise taxes received in each of the most recent fiscal years and the budgeted amount for fiscal 2024:

<u>Fiscal Year</u>	<u>Motor Vehicle Excise Taxes</u> ⁽¹⁾
2024 (budgeted)	\$4,200,000
2023	4,579,960
2022	4,460,546
2021	4,337,653
2020	4,591,515
2019	4,249,603

⁽¹⁾ Net after refunds. Includes receipts for prior years.

COMMUNITY PRESERVATION ACT

The Town has not accepted the provisions of the CPA.

TAX INCREMENT FINANCING FOR DEVELOPMENT DISTRICTS

Cities and towns are authorized to establish development districts to encourage increased residential, industrial and commercial activity. All or a portion of the taxes on growth in assessed value in such districts may be pledged and used solely to finance economic development projects pursuant to the city or town's development program for the district. This includes pledging such "tax increments" for the payment of bonds issued to finance such projects. As a result of any such pledge, tax increments raised from new growth properties in development districts are not available for other municipal purposes. Tax increments are taken into account in determining the total taxes assessed for the purpose of calculating the maximum permitted tax levy under Proposition 2½ (see "Tax Limitations" under "Property Tax" herein). The Town has not established any development districts.

OTHER TAXES

Four additional sources of revenue for local governments are the room occupancy excise tax, local meals excise tax, aviation fuel tax and marijuana tax. All taxes take effect only where accepted by individual municipalities. Under the room occupancy excise tax, local governments may tax the provision of hotel, motel, lodging house and bed and breakfast rooms at a rate not to exceed six and one-half percent of the cost of renting such rooms. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located. The local meals excise tax, effective for sales of restaurant meals on or after October 1, 2009, is a three-fourths percent tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold.

The following table shows the actual Room Occupancy receipts for the most recent fiscal years and the budgeted amount for fiscal 2024:

<u>Fiscal Year</u>	<u>Receipts</u>
2024 (budgeted)	\$350,000
2023	472,156
2022	392,341
2021	165,907
2020	191,254
2019	204,911

The local meal excise tax, effective for sales of restaurant meals on or after October 1, 2009, is a three-fourths percent tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue who in turn pays the tax to the municipality in which the meal was sold. At the Special Town Meeting in September 2009, the Town voted to accept Chapter 64L, section 2(a) to impose an additional meals excise of three-fourths percent.

The following table shows the actual Meals Tax receipts for the most recent fiscal years and the budgeted amount for fiscal 2024:

<u>Fiscal Year</u>	<u>Receipts</u>
2024 (budgeted)	\$575,000
2023	627,175
2022	591,770
2021	401,142
2020	457,987
2019	506,533

The aviation fuel tax is a five percent tax (with a minimum of five cents per gallon) on the sale or use of jet fuel to or by jet aircraft. The tax is paid by the seller/user of the fuel to the Commissioner of Revenue, who in turn rebates the tax to the municipality in which the fuel being taxed was transferred into an aircraft. The Town has not accepted this tax as it does not have an airport within its boundaries.

UNASSIGNED GENERAL FUND BALANCE AND FREE CASH

Under Massachusetts law an amount known as "free cash" is certified as of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years. The Town Accountant may certify as available for appropriation an adjusted free cash figure by adding back those uncollected and overdue property taxes which are subsequently collected between July 1 and the following March 31 of any year.

The following table sets forth the unassigned general fund balance and certified free cash for the most recent fiscal years:

<u>July 1,</u>	<u>Unassigned General Fund Balance</u>	<u>Free Cash</u>
2023	\$15,743,370	\$5,553,912
2022	18,620,880	8,047,944
2021	15,631,867	5,523,193
2020	12,010,873	4,600,377
2019	8,951,654	3,914,872

STABILIZATION FUND

The Town has maintained a Stabilization Fund for several years. Under Massachusetts statutes, funds may be appropriated from the Fund for any municipal purpose by a two-thirds vote of the Town Council. The following is the balance in the account at the end of the most recent fiscal years:

<u>Fiscal Year</u>	<u>Balance</u>
2023	\$7,278,968
2022	7,204,486
2021	7,475,031
2020	5,401,496
2019	3,906,987

In addition, the Town voted to establish a Capital Stabilization Fund. The balance in the fund, as of June 30, 2023, was \$2,047,904.

The Town also has an additional Stabilization Fund (included in the above Stabilization Fund balances), the Betterment Stabilization Fund, which had a balance of \$35,511, as of June 30, 2023. The Fund is established for excess betterments which are mainly used to offset debt service for the Lindsey Acres sewer installation project.

INVESTMENTS

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

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

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

COLLECTIVE BARGAINING

City and town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. The Town has approximately 1,135 full time and part-time employees of which approximately 68 percent belong to unions or other collective bargaining groups as follows:

<u>Union</u>	<u>Department</u>	<u>Number of People</u>	<u>Expiration Date</u>
NAFT	School Teachers	371	8/31/2025
NAFT	School Office Professionals	25	6/30/2025
NAFT	School Para-professionals	102	8/31/2024
NAFT	Cafeteria	34	8/31/2024
AFSCME	School Custodians/Bus Drivers	50	6/30/2025
AFSCME	Town	28	6/30/2025
NAFF	Fire	57	6/30/2025
Police Officers Association	Police	39	6/30/2025
Professional Police Officers Assoc.	Police	9	6/30/2025
Mass Cop-Dispatcher	Police	13	6/30/2025
USWA-Units 1 & 2	Town	36	6/30/2025
Laborers	DPW/Park	40	6/30/2025
Total		<u>804</u>	

PHYSICAL AND ECONOMIC CHARACTERISTICS

General

The Town, located in Bristol County, was incorporated as a Town in 1887. Prior to this date, the Town was part of what is now, the City of Attleboro. Both communities have a rich history in the manufacturing sector, particularly jewelry manufacturing. In 1855, the Town boasted 24 establishments making approximately \$1,000,000 annually in jewelry. The major contributor to this success was brought about by the Civil War and the Army's request for badges and medals. Today, North Attleborough is a predominantly residential community.

The Town is conveniently located to major routes connecting to Providence, Rhode Island and Boston, Massachusetts. Located in Southeastern Massachusetts, the Town is bordered by Plainville to the north, Mansfield to the east, the City of Attleboro to the south and Cumberland, Rhode Island to the west. Commuter rail service is located in the neighboring City of Attleboro, providing access to Boston's Back Bay Station and South Station. The Town also is a member of the Greater Attleboro-Taunton Regional Transit Authority ("GATRA") which provides public transportation to 14 fixed routes as well as the Dial-A-Ride program to benefit the elderly and disabled.

Other than the Town itself, the following are the principal employers located in the Town:

<u>Company</u>	<u>Nature of Business</u>	<u>Current Employees</u>
Emerald Square Mall	Retail Stores	1,800
Shaw's	Supermarket	400
Wal-Mart	Retail	300
V.H. Blackington	Jewelry Manufacturer-Badges	200
Madonna Nursing Home	Nursing Home	190
Lowe's	Retail	175
Needle Tech Products	Medical/Manufacturing	170
Target	Department Store	160
Super Stop & Shop	Supermarket	147
Metalor USA Refining Corp.	Metal Refining	130
Best Buy	Retail	125

Source: The Town as of December 2024.

BUILDING PERMITS

<u>Calendar Year</u>	<u>Number</u>	<u>Estimated Value</u>
2023	908	\$45,462,273
2022	913	41,787,145
2021	1,086	48,855,456
2020	813	56,384,464
2019	1,058	56,857,261

EMPLOYMENT

<u>Year</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployment Rate (%)</u>			
			<u>Town</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
2023(a)	16,249	15,867	2.4	2.9	2.6	3.6
2022	16,616	16,038	3.5	4.6	3.8	3.6
2021	16,568	15,768	4.8	6.3	5.5	5.3
2020	16,657	15,097	9.4	10.8	9.4	8.1
2019	16,949	16,461	2.9	3.9	3.0	3.7
2018	17,017	16,449	3.3	4.4	3.5	3.9

(a) month of September, not seasonally adjusted for Town and County

Sources: Mass. Executive Office of Labor and Workforce Development (Town, County) and U.S. Bureau of Labor Statistics (State, U.S.)

EMPLOYMENT AND WAGES

<u>Industry</u>	<u>Establishments</u>	<u>Average Employment</u>	<u>Average Weekly Wage (\$)</u>
Total, All Industries	934	11,423	963
Construction	99	631	1,408
Manufacturing	51	1,380	1,287
Wholesale Trade	55	366	1,736
Retail Trade	161	3,270	737
Transportation and Warehousing	22	269	1,115
Information	21	162	1,225
Finance and Insurance	39	197	2,003
Real Estate and Rental and Leasing	36	146	2,121
Professional and Technical Services	94	371	1,526
Administrative and Waste Services	52	372	990
Health Care and Social Assistance	121	829	797
Arts, Entertainment, and Recreation	15	218	424
Accommodation and Food Services	67	1,135	507
Other Services, Except Public Admin	77	914	464

Source: Mass. Dept of Economic Research, Executive Office of Labor and Workforce Development, 2022 Data

SCHOOL ENROLLMENTS ^{(1) (2)}

	<u>Actual</u>				
	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Pre K-5	1,949	1,856	1,819	1,853	1,877
6-8	1,099	995	959	956	964
9-12	<u>1,106</u>	<u>1,092</u>	<u>1,143</u>	<u>1,107</u>	<u>1,062</u>
Total	<u>4,154</u>	<u>3,943</u>	<u>3,993</u>	<u>3,916</u>	<u>3,903</u>

⁽¹⁾ As of October 1, of each year.

⁽²⁾ Enrollment for current year is artificially low due to students who chose to stay home due to COVID-19.

SCHOOL FACILITIES

<u>School</u>	<u>Grade</u>	<u>Building Capacity</u>	<u>Current Enrollment</u> ⁽¹⁾
<u>Elementary:</u>			
Amvet Blvd.	K-5	476	407
Falls	K-5	282	240
Martin	K-5	608	541
Roosevelt Ave.	K-5	260	253
Community	K-5	458	288
Early Learning	Pre-K	150	148
Middle School:	6-8	1,350	964
Senior High School:	9-12	<u>1,250</u>	<u>1,062</u>
		<u>4,834</u>	<u>3,903</u>

⁽¹⁾ As of October 1, 2023.

OTHER DATA

	<u>North Attleborough</u>	<u>Massachusetts</u>	<u>United States</u>
Recent Population Estimate (2022)	30,930	6,981,974	333,287,557
Census Population:			
2020	30,834	7,029,917	331,449,281
2010	28,712	6,547,629	308,745,538
2000	27,143	6,349,097	281,421,906
1990	25,038	6,016,425	248,709,873
Inter-Census Population Growth:			
2020	7.39%	7.37%	7.35%
2010	5.78%	3.13%	9.71%
2000	8.41%	5.53%	13.15%
Population Per Square Mile:			
2020	1635	901	94
Median Age:			
2022	41.5	40.3	39.0
Persons under 18 years, 2022	22.0%	19.2%	21.7%
Persons over 65 years, 2022	15.4%	18.1%	17.3%
Persons per Household	2.42	2.46	2.57
Annual Median Household Income:			
2018-22 Average (in 2022 dollars)	\$104,795	\$96,505	\$75,149
Annual Per Capita Income:			
2018-22 Average (in 2022 dollars)	\$53,566	\$53,513	\$41,261
Total Retail Sales Per Capita, 2017	\$17,552	\$16,055	\$15,224
Median value of owner-occupied housing units, 2018-22	\$429,900	\$483,900	\$281,900
In civilian labor force, age 16+, 2018-22	71.9%	67.0%	63.0%
High School Graduate or Higher, age 25+, 2018-22	94.4%	91.2%	89.1%
Bachelor's Degree or Higher, age 25+, 2018-22	45.7%	45.9%	34.3%
Owner-occupied housing unit rate, 2018-22	70.7%	62.4%	64.8%
Persons in Poverty (2022)	5.3%	10.4%	11.5%

Source: U.S. Census Bureau

LITIGATION

There are numerous cases pending in courts throughout the Commonwealth where the Town is a defendant. To the actual knowledge of the Town, there is no litigation, either pending or threatened, which is considered likely to result, either individually or in the aggregate, in final judgments against the Town that would materially affect its financial condition.

**TOWN OF NORTH ATTLEBOROUGH,
Massachusetts**

By: /s/ Christopher L. Sweet
Treasurer

Dated: May 22, 2024

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The following Balance Sheets for June 30, 2019-2023 and the Statement of Revenues, Transfers, Expenditures and Changes in Fund Balance for fiscal years 2019-2023 have been extracted from the audit reports of those years.

The fiscal 2023 audit is reproduced in Appendix B.

TOWN OF NORTH ATTLEBOROUGH
Massachusetts
BALANCE SHEET - GENERAL FUND
JUNE 30, ⁽¹⁾

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>					
Cash and cash equivalents/					
Investments	\$23,953,924	\$30,573,718	\$25,900,056	\$14,947,041	\$18,660,038
Receivables:					
Property taxes	2,110,078	2,077,866	1,899,698	2,177,836	1,567,352
Departmental & other	586,716	776,701	608,403	566,301	860,790
Due from other governments	108,534	366,626	99,837	95,426	1,863,847
Other assets	<u>34,969</u>	<u>38,336</u>	<u>27,332</u>	<u>28,674</u>	<u>30,534</u>
Total Assets	<u>\$26,794,221</u>	<u>\$33,833,247</u>	<u>\$28,535,326</u>	<u>\$17,815,278</u>	<u>\$19,181,668</u>
Liabilities and Fund Balances					
<u>Liabilities:</u>					
Warrants payable	\$ 933,457	\$ 3,100,938	\$ 1,053,686	\$ 1,272,833	\$ 2,629,849
Salaries, withholdings & benefits	3,873,305	5,223,112	4,688,951	1,237,998	4,081,797
Refunds payable	200,000	169,182	-	-	-
Deposits & escrows	185,118	283,735	276,633	-	-
Unearned revenues	79,423	92,135	-	-	-
Other liabilities	<u>384,136</u>	<u>418,931</u>	<u>533,902</u>	<u>492,723</u>	<u>486,454</u>
Total Liabilities	<u>5,655,439</u>	<u>9,288,033</u>	<u>6,553,172</u>	<u>3,003,554</u>	<u>7,198,100</u>
Total Deferred Inflows of Resources:	<u>2,363,564</u>	<u>2,603,365</u>	<u>2,190,181</u>	<u>2,151,637</u>	<u>2,187,620</u>
<u>Fund Balances (Deficit):</u>					
Nonspendable	34,969	38,336	27,332	28,674	30,534
Restricted	-	68,510	64,377	120,448	178,813
Committed	-	-	1,613,867	-	-
Assigned	2,996,879	3,214,123	2,454,530	500,092	634,947
Unassigned	<u>15,743,370</u>	<u>18,620,880</u>	<u>15,631,867</u>	<u>12,010,873</u>	<u>8,951,654</u>
Total Fund Balances (Deficit)	<u>18,775,218</u>	<u>21,941,849</u>	<u>19,791,973</u>	<u>12,660,087</u>	<u>9,795,948</u>
Total Liabilities, Deferred Inflows and Fund Balances:	<u>\$26,794,221</u>	<u>\$33,833,247</u>	<u>\$28,535,326</u>	<u>\$17,815,278</u>	<u>\$19,181,668</u>

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

TOWN OF NORTH ATTLEBOROUGH
Massachusetts
Combined Statement of Revenues, Transfers, Expenditures and Changes in Fund Balance
GENERAL FUND
June 30, ⁽¹⁾

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Revenues:</u>					
Property Taxes	\$ 67,311,568	\$64,340,999	\$ 62,500,275	\$ 60,387,336	\$57,415,607
Excise Taxes	6,175,177	5,515,063	4,986,059	5,259,854	5,021,796
Fines and Forfeitures	13,479	43,594	44,437	83,222	77,044
Intergovernmental	33,141,694	31,711,893	39,269,593	36,601,928	34,006,710
Investment Income	719,926	(362,339)	45,120	542,656	401,820
Penalties, Interest & Other Taxes	368,696	305,922	288,279	230,657	232,171
Licenses and Permits	614,708	606,731	644,065	502,984	476,075
Departmental & Other	<u>1,702,485</u>	<u>714,553</u>	<u>733,929</u>	<u>882,382</u>	<u>1,977,341</u>
Total Revenues	<u>\$110,047,733</u>	<u>\$102,876,416</u>	<u>\$108,511,757</u>	<u>\$104,491,019</u>	<u>\$99,608,564</u>
<u>Expenditures:</u>					
General Government	\$ 4,631,195	\$ 4,310,184	\$ 4,013,697	\$ 4,139,557	\$ 4,211,382
Public Safety	13,222,642	11,516,604	11,076,049	11,164,537	11,073,969
Education	59,317,907	54,727,312	61,213,061	58,694,484	53,989,279
Culture & Recreation	1,416,679	1,339,793	1,165,632	1,203,181	1,204,551
Public Works	1,506,680	1,752,226	1,447,751	1,253,164	1,652,360
Health & Human Services	914,741	911,908	914,154	929,398	862,827
Debt Service	3,978,051	3,464,734	3,301,415	3,810,309	3,800,893
Employee Benefits/Insurance	15,616,146	14,310,338	14,462,149	14,663,048	14,511,646
Intergovernmental	<u>5,691,485</u>	<u>5,561,599</u>	<u>5,270,613</u>	<u>4,914,083</u>	<u>4,696,708</u>
Total Expenditures	<u>\$106,295,526</u>	<u>\$ 97,894,698</u>	<u>\$102,864,521</u>	<u>\$100,771,761</u>	<u>\$96,003,615</u>
Excess (deficiency) of revenues over expenditures	3,752,207	4,981,718	5,647,236	3,719,258	3,604,949
<u>Other Financing Sources (Uses)</u>					
Transfers in	1,729,402	2,283,668	1,869,807	1,791,296	1,498,071
Transfers out	<u>(8,648,240)</u>	<u>(5,115,510)</u>	<u>(385,157)</u>	<u>(2,646,415)</u>	<u>(1,903,476)</u>
Other Financing Sources (Uses):	<u>(6,918,838)</u>	<u>(2,831,842)</u>	<u>1,484,650</u>	<u>(855,119)</u>	<u>(405,405)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,166,631)	2,149,876	7,131,886	2,864,139	3,199,544
	<u>21,941,849</u>	<u>19,791,973</u>	<u>12,660,087</u>	<u>9,795,948</u>	<u>6,596,404</u>
Fund Balance, Beginning of Year	<u>\$ 18,775,218</u>	<u>\$ 21,941,849</u>	<u>\$ 19,791,973</u>	<u>\$ 12,660,087</u>	<u>\$ 9,795,948</u>
Fund Balance, End of Year					

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

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APPENDIX B

There follows in this Appendix the audited financial statements for the fiscal year ended June 30, 2023 with the report of the certified public accountants, Roselli, Clark & Associates, CPA.

The attached report speaks only as of its date, and only to matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix B. Except as stated in their report, the auditors have not been engaged to verify the financial information set forth in Appendix B and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in Appendix B.

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ROSELLI, CLARK & ASSOCIATES
Certified Public Accountants

**TOWN OF NORTH ATTLEBOROUGH,
MASSACHUSETTS**

Basic Financial Statements
and
Additional Information

Year Ended June 30, 2023



TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

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INDEPENDENT AUDITORS' REPORT

Honorable Town Council
Town of North Attleborough, Massachusetts

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of North Attleborough, Massachusetts, (the "Town") as of and for the year ended June 30, 2023 (except for the North Attleborough Contributory Retirement System and the North Attleborough Electric Department, which are as of December 31, 2022) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the basic 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended (except for the North Attleborough Contributory Retirement System and the North Attleborough Electric Department, which are as of December 31, 2022) in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of North Attleborough Electric Department, which represents approximately 37%, 46% and 72%, respectively, of the total assets, net position and revenues of the Town's business-type activities. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the North Attleborough Electric Department, are based solely on the report of the other auditors.

Basis for Opinions

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

In preparing the basic 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 basic financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 basic financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers these 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 a report dated February 27, 2024 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.



Roselli, Clark and Associates
Certified Public Accountants
Woburn, Massachusetts
February 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the Town of North Attleborough, Massachusetts (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with their review of the basic financial statements, notes to the basic financial statements and required supplementary information.

Financial Highlights

- The Town's assets and deferred outflows of financial resources exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by over \$53.4 million (total net position) at June 30, 2023. The Town's total net position decreased by nearly \$15.0 million in fiscal year 2023.
- The Town continues to report a deficit in its unrestricted net position in its governmental activities. This deficit exceeded \$178.8 million at June 30, 2023. This deficit is due primarily to the recording of liabilities associated with the net OPEB and pension liabilities, which totaled nearly \$196.7 million at June 30, 2023 in the aggregate. These liabilities are applied to the Town's unrestricted net position and represent actuarial estimates of future postemployment benefits payable by the Town for retiree medical insurance and pensions.
- As of the close of the current fiscal year, the Town's governmental funds balance sheet reported a combined ending fund balance surplus of approximately \$52.0 million, which was approximately \$3.8 million higher than the prior year. The Town reported a decrease in fund balance in its general fund of approximately \$3.2 million and increases of approximately \$5.5 million and \$1.5 million, respectively, in its capital projects fund and nonmajor governmental funds in fiscal year 2023.
- Of the ending fund balance in the governmental funds at June 30, 2023, approximately \$15.5 million is available for spending at the government's discretion as unassigned fund balance. The remainder is earmarked for specific expenditures.
- At June 30, 2023, unassigned fund balance for the general fund represented approximately 15% percent of total fiscal year 2023 general fund expenditures.
- The Town's total combined long-term debt in its governmental activities and business-type activities increased approximately \$0.7 million in fiscal year 2023. The Town issued approximately \$7.2 million in general obligation bonds in fiscal year 2023. The Town's total long-term debt was approximately \$58.6 million at June 30, 2023.
- The Town reports nearly \$6.1 million in unearned revenues related to advanced receipts of federal awards under the Corona Virus State & Local Fiscal Recover Funds of the American Rescue Plan Act. Based on current guidance, these amounts must be formally obligated by December 31, 2024 and expended by December 31, 2026.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (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 of the Town include general government, public safety, highways and streets, sanitation, education, health and human services, culture and recreation, fringe benefits and debt service. The business-type activities of the Town include sewer, water, solid waste and electric light enterprise funds.

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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Accounting guidelines distinguish fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventory or prepaid items) or (b) legally or contractually required to be maintained intact.
- Restricted – amounts constrained by external parties, constitutional provision, or enabling legislation.
- Committed – amounts constrained by the Town using its highest level of decision-making authority.
- Assigned – amounts a government intends to use for a particular purpose.
- Unassigned – amounts that are not constrained will be reported in the general fund or in other major governmental funds, if negative.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions.

Reconciliations are provided in the basic financial statements to help the reader understand the differences.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, ARPA grant fund and capital projects fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule has been prepared as required supplementary information and can be found along with the corresponding notes in this report.

Proprietary Funds – Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town utilizes the proprietary funds to report activities of its enterprise funds. Enterprise 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 sewer, water, solid waste and electric department activities.

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

Notes to the 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.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town’s progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees as well as a budget to actual comparison for the current year’s general fund operations.

Government-Wide Financial Analysis

The condensed comparative statements of net position for the two most recent years are as follows:

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Assets:						
Current and other assets	\$ 67,580,847	\$ 64,469,114	\$ 75,213,351	\$ 83,235,976	\$ 142,794,198	\$ 147,705,090
Capital assets, net	83,611,872	81,052,525	113,535,001	110,044,415	197,146,873	191,096,940
Total Assets	151,192,719	145,521,639	188,748,352	193,280,391	339,941,071	338,802,030
Deferred Outflows of Resources	32,424,429	35,215,399	6,323,120	3,641,813	38,747,549	38,857,212
Liabilities:						
Long-term liabilities	216,247,145	185,076,066	47,304,583	44,391,121	263,551,728	229,467,187
Other liabilities	15,829,376	16,397,323	10,624,089	8,362,116	26,453,465	24,759,439
Total Liabilities	232,076,521	201,473,389	57,928,672	52,753,237	290,005,193	254,226,626
Deferred Inflows of Resources	20,494,518	36,638,300	14,748,186	18,395,088	35,242,704	55,033,388
Net Position:						
Net investment in capital assets	70,360,987	68,153,980	79,467,096	75,798,652	149,828,083	143,952,632
Restricted	39,516,452	32,749,182	22,868,711	25,954,306	62,385,163	58,703,488
Unrestricted	(178,831,330)	(158,277,813)	20,058,807	24,020,921	(158,772,523)	(134,256,892)
Total Net Position	\$ (68,953,891)	\$ (57,374,651)	\$ 122,394,614	\$ 125,773,879	\$ 53,440,723	\$ 68,399,228

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's total net position decreased nearly \$15.0 million in fiscal year 2023. The net position in governmental activities decreased approximately \$11.6 million, while the net position in business-type activities decreased nearly \$3.4 million.

The largest portion the Town's overall net position (over \$149.8 million) reflects its investment in capital assets, less any related debt and liabilities used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of 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 significant portion of the Town's total net position (nearly \$62.4 million) represents resources that are subject to external restrictions on how they may be used.

The remaining category represents unrestricted net position, which currently has a deficit balance of approximately \$158.8 million. This deficit balance is primarily the result of the reporting of over \$206.0 million in net OPEB and pension liabilities in the Town's governmental and business-type activities. The Town expects that its deficit in unrestricted net position will continue to increase for the foreseeable future primarily due to OPEB.

The condensed comparative statements of activities for the two most recent years are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 7,755,166	\$ 6,880,436	\$ 48,533,972	\$ 42,886,152	\$ 56,289,138	\$ 49,766,588
Operating grants and contributions	41,876,353	38,499,910	779,717	841,088	42,656,070	39,340,998
Capital grants and contributions	1,436,713	1,393,371	-	-	1,436,713	1,393,371
General revenues:						
Property taxes	67,261,752	64,585,884	-	-	67,261,752	64,585,884
Excise taxes	5,985,192	5,683,361	-	-	5,985,192	5,683,361
Intergovernmental	3,332,701	3,161,955	-	-	3,332,701	3,161,955
Interest income (loss), net and other	1,176,426	(64,943)	(2,860,599)	(475,589)	(1,684,173)	(540,532)
Total Revenues	<u>128,824,303</u>	<u>120,139,974</u>	<u>46,453,090</u>	<u>43,251,651</u>	<u>175,277,393</u>	<u>163,391,625</u>
Expenses:						
General government	8,452,207	7,681,758	-	-	8,452,207	7,681,758
Public safety	23,641,792	19,463,183	-	-	23,641,792	19,463,183
Education	96,390,024	85,724,012	-	-	96,390,024	85,724,012
Public works	6,461,507	4,151,504	-	-	6,461,507	4,151,504
Health and human services	1,906,748	1,874,050	-	-	1,906,748	1,874,050
Culture and recreation	2,683,581	2,686,970	-	-	2,683,581	2,686,970
Interest expense	629,319	633,378	-	-	629,319	633,378
Utility services	-	-	50,070,720	42,646,713	50,070,720	42,646,713
Total Expenses	<u>140,165,178</u>	<u>122,214,855</u>	<u>50,070,720</u>	<u>42,646,713</u>	<u>190,235,898</u>	<u>164,861,568</u>
Change in Net Position Before Transfers	(11,340,875)	(2,074,881)	(3,617,630)	604,938	(14,958,505)	(1,469,943)
Transfers	<u>(238,365)</u>	<u>173,012</u>	<u>238,365</u>	<u>(173,012)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(11,579,240)</u>	<u>(1,901,869)</u>	<u>(3,379,265)</u>	<u>431,926</u>	<u>(14,958,505)</u>	<u>(1,469,943)</u>
Net Position:						
Beginning of year	<u>(57,374,651)</u>	<u>(55,472,782)</u>	<u>125,773,879</u>	<u>125,341,953</u>	<u>68,399,228</u>	<u>69,869,171</u>
End of year	<u>\$ (68,953,891)</u>	<u>\$ (57,374,651)</u>	<u>\$ 122,394,614</u>	<u>\$ 125,773,879</u>	<u>\$ 53,440,723</u>	<u>\$ 68,399,228</u>

Governmental Activities – Total revenues in fiscal year 2023 in the Town’s governmental activities increased nearly \$8.7 million, or 7.2%, from the prior fiscal year. The largest contributors to this increase included:

- a nearly \$3.4 million increase in operating grants and contributions, for which ARPA grant revenues of over \$2.1 million represented the majority of this increase;
- a nearly \$2.7 million increase in property tax revenues, which was due primarily to the normal property tax increases available to the Town under Proposition 2 ½ together with significant new growth; and
- an over \$1.2 million increase in investment income,

The Town’s largest revenue source is property taxes, which represented approximately 52% and 54% of total fiscal year 2023 and 2022 revenues, respectively. Operating grants and contributions represented approximately 33% and 32% of total fiscal year 2023 and 2022 revenues, respectively. No other revenue sources were greater than 10% of total revenues in fiscal years 2023 or 2022.

Total expenses in fiscal year 2023 in the Town’s governmental activities increased nearly \$18.0 million. This increase was due primarily to an approximate \$7.0 million increase in non-cash pension expense, a \$1.3 million increase in personnel benefits, higher salaries and wages as well as budgeted increases in normal operating expenses.

Education represents the largest expense category for the Town. In total, education expenses represented approximately 69% and 70%, respectively, of total fiscal year 2023 and 2022 expenses. Public safety expenses represented approximately 17% and 16%, respectively, of total fiscal year 2023 and 2022 expenses. No other expense types were greater than 10% of total expenses in fiscal years 2023 or 2022.

Business-Type Activities – Total business-type activities revenues approached \$46.5 million in fiscal year 2023, which is over \$3.2 million greater than the prior year. Expenses in the business-type activities increased nearly \$7.4 million in fiscal year 2023, primarily as the result of higher noncash personnel-related expenses and higher general operating costs.

Government Funds Financial Analysis

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’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 fiscal year.

As of the close of the current fiscal year, the Town’s governmental funds balance sheet reported a combined ending fund balance surplus of over \$52.0 million, which was approximately \$3.8 million greater than the prior year. The Town reported a decrease in fund balance in its general fund of approximately \$3.2 million and increases of approximately \$5.5 million and \$1.5 million, respectively, in its capital projects fund and nonmajor governmental funds in fiscal year 2023. The decrease in the fund balance in the general fund was due primarily to the transfer of nearly \$8.5 million in free cash and capital stabilization funds to the Town’s capital projects fund. Of the ending fund balances, approximately \$15.5 million is available for spending at the government’s discretion as unassigned fund balance. The remainder is earmarked for specific expenditures.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was over \$15.7 million, while total general fund balance approached \$18.8 million. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance at year end represents approximately 15% of total fiscal year 2023 general fund expenditures, while total fund balance represents approximately 18% of that same amount.

The Town began reporting its ARPA grant fund as a major governmental fund in fiscal year 2023. Revenues and expenses were each approximately \$2.1 million in fiscal year 2023. All unspent ARPA grant proceeds have been deferred and reported as unearned revenues in the ARPA grant fund at June 30, 2023. Based on current guidance, the unspent ARPA grant funds must be formally obligated by December 31, 2024 and expended by December 31, 2026.

The Town issued approximately \$4.8 million in general obligation bonds in fiscal year 2023, which together with a nearly \$0.5 million premium, is reported as other financing sources in the Town’s capital projects fund. Additionally, as previously noted, the general fund transferred nearly \$8.5 million in free cash and capital stabilization funds to the capital projects fund. These other financing sources, which totaled nearly \$13.8 million in fiscal year 2023, exceeded capital outlays of approximately \$8.2 million. As a result, the fund balance in the capital projects fund increased over \$5.5 million in fiscal year 2023 to approximately \$19.3 million.

The nonmajor governmental funds reported an increase in fund balance of nearly \$1.5 million in fiscal year 2023, which was primarily a function of timing of expenditures versus receipts.

Proprietary Funds – The Town’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Fiduciary Fund – The Town’s fiduciary fund is comprised of its pension and two OPEB trust funds and private purpose trust funds.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were primarily due to the Town’s use of approximately \$2.0 million in free cash to fund capital articles.

A reconciliation of these differences is found in the required supplementary information.

Capital Asset and Debt Administration

Capital Assets – The Town’s investment in capital assets, which includes land, buildings, infrastructure, machinery and equipment, for its governmental and business-type activities as of June 30, 2023 totaled approximately \$197.1 million, net of accumulated depreciation. This is an increase of over \$6.0 million from the prior year as fiscal year 2023 capital additions exceeded depreciation expense.

Additional information on the Town capital assets can be found in the notes to the financial statements.

Long-Term Debt – The Town’s total general obligation bond and notes payable debt increased nearly \$0.7 million in fiscal year 2023 to approximately \$58.6 million at June 30, 2023. The Town issued approximately \$7.2 million in general obligation bonds in fiscal year 2023.

The Town also holds a proportionate share of debt of other governmental units that provide services within the Town’s boundaries. Debt service from such arrangements is assessed annually to the Town.

In connection with the Town’s fiscal year 2023 general obligation bond issuance, Standard & Poor’s Financial Services affirmed the Town’s credit rating to AA+, which is its second highest credit rating for long-term debt.

Additional information on the Town’s debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets

- Net state aid for fiscal year 2024 is expected to approach \$19.6 million.
- The Town enters fiscal year 2023 with the following financial reserves:
 - Certified free cash of over \$5.5 million;
 - General stabilization funds of approximately \$7.3 million; and
 - Capital stabilization funds of approximately \$0.9 million.
- Inflation is expected to continue affecting the Town in a number of ways including higher energy costs, increased capital acquisition costs and operating expenses.
- The Town's real estate tax base is made up predominantly of residential taxes, which in setting the 2024 tax rate was approximately 82% of the entire property tax levy. The Town also relies to a moderate degree on its commercial, industrial and personal property real estate tax base which comprise the remainder of the levy. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the Town's ability to increase taxes in any one year by more than 2 ½% of the previous year's tax levy. The Town typically taxes at or near its levy limit.
- Property values within the Town have been steadily increasing. Many neighborhoods' property values are at all-time highs.

The above items were considered when the Town Council approved its fiscal year 2024 budget in a June 2023 Town Council meeting. The Town set its fiscal year 2024 property tax rate on December 1, 2023.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Town Accountant, Town of North Attleborough, Massachusetts, 43 South Washington Street, North Attleborough, Massachusetts 02760.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**STATEMENT OF NET POSITION
JUNE 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 50,841,471	\$ 19,396,087	\$ 70,237,558
Investments	11,929,183	41,403,721	53,332,904
Receivables, net of allowances:			
Property taxes	2,110,078	-	2,110,078
Departmental, user charges and other	1,206,924	6,859,176	8,066,100
Intergovernmental	1,225,950	4,849,871	6,075,821
Leases	232,272	-	232,272
Prepaid items	-	553,734	553,734
Inventories	34,969	1,243,014	1,277,983
Net other postemployment benefits asset	-	907,748	907,748
Land	9,469,307	258,957	9,728,264
Construction in-progress	-	286,315	286,315
Depreciable capital assets, net	<u>74,142,565</u>	<u>112,989,729</u>	<u>187,132,294</u>
Total Assets	<u>151,192,719</u>	<u>188,748,352</u>	<u>339,941,071</u>
Deferred Outflows of Resources:			
Other postemployment benefits	15,897,840	2,171,204	18,069,044
Pensions	<u>16,526,589</u>	<u>4,151,916</u>	<u>20,678,505</u>
Total Deferred Outflows of Resources	<u>32,424,429</u>	<u>6,323,120</u>	<u>38,747,549</u>

(continued)

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**STATEMENT OF NET POSITION
JUNE 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Warrants and accounts payable	\$ 1,674,526	\$ 3,394,574	\$ 5,069,100
Accrued payroll and withholdings	3,873,305	-	3,873,305
Refunds payable	200,000	32,672	232,672
Accrued interest	171,131	129,465	300,596
Deposits and escrows	185,118	-	185,118
Unearned revenues	6,138,977	-	6,138,977
Other liabilities	384,136	-	384,136
Short-term note payable	-	3,472,735	3,472,735
Noncurrent liabilities:			
Due within one year	3,202,183	3,594,643	6,796,826
Due in more than one year	216,247,145	47,304,583	263,551,728
Total Liabilities	<u>232,076,521</u>	<u>57,928,672</u>	<u>290,005,193</u>
Deferred Inflows of Resources:			
Unavailable revenues - Town of Plainville	-	4,823,098	4,823,098
Unavailable revenues - rate stabilization reserve	-	6,992,532	6,992,532
Leased property	232,272	-	232,272
Other postemployment benefits	20,164,606	371,938	20,536,544
Pensions	97,640	2,560,618	2,658,258
Total Deferred Inflows of Resources	<u>20,494,518</u>	<u>14,748,186</u>	<u>35,242,704</u>
Net Position:			
Net investment in capital assets	70,360,987	79,467,096	149,828,083
Restricted for:			
Nonexpendable permanent funds	2,489,186	-	2,489,186
Expendable permanent funds	528,986	-	528,986
Capital projects	19,282,823	-	19,282,823
Depreciation fund	-	22,319,793	22,319,793
Insurance fund	-	548,918	548,918
Other purposes	17,215,457	-	17,215,457
Unrestricted	(178,831,330)	20,058,807	(158,772,523)
Total Net Position	<u>\$ (68,953,891)</u>	<u>\$ 122,394,614</u>	<u>\$ 53,440,723</u>

(concluded)

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 8,452,207	\$ 2,314,527	\$ 804,773	\$ -	\$ (5,332,907)		\$ (5,332,907)
Public safety	23,641,792	3,639,880	632,405	-	(19,369,507)		(19,369,507)
Education	96,390,024	1,291,508	39,438,105	-	(55,660,411)		(55,660,411)
Public works	6,461,507	47,175	21,019	1,436,713	(4,956,600)		(4,956,600)
Health and human services	1,906,748	109,878	810,788	-	(986,082)		(986,082)
Culture and recreation	2,683,581	352,198	156,760	-	(2,174,623)		(2,174,623)
Interest expense	629,319	-	12,503	-	(616,816)		(616,816)
Total Governmental Activities	140,165,178	7,755,166	41,876,353	1,436,713	(89,096,946)		(89,096,946)
Business-Type Activities:							
Sewer	6,228,397	5,465,546	764,189	-		1,338	1,338
Water	5,260,361	4,779,689	15,528	-		(465,144)	(465,144)
Solid Waste	3,515,472	3,122,430	-	-		(393,042)	(393,042)
Electric Light	35,066,490	35,166,307	-	-		99,817	99,817
Total Business-Type Activities	50,070,720	48,533,972	779,717	-		(757,031)	(757,031)
Total Primary Government	\$ 190,235,898	\$ 56,289,138	\$ 42,656,070	\$ 1,436,713		(757,031)	(89,853,977)
General Revenues:							
Property taxes					67,261,752	-	67,261,752
Motor vehicle and other excise taxes					5,985,192	-	5,985,192
Grants and contributions not restricted to to specific programs					3,332,701	-	3,332,701
Penalties and interest on taxes					368,696	-	368,696
Unrestricted investment income (loss), net					807,730	(2,860,599)	(2,052,869)
Transfers, net					(238,365)	238,365	-
Total General Revenues and Transfers					77,517,706	(2,622,234)	74,895,472
Change in Net Position					(11,579,240)	(3,379,265)	(14,958,505)
Net Position:							
Beginning of year					(57,374,651)	125,773,879	68,399,228
End of year					\$ (68,953,891)	\$ 122,394,614	\$ 53,440,723

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	General Fund	ARPA Grant Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Assets:					
Cash and cash equivalents	\$ 15,896,970	\$ 6,059,554	\$ 19,552,184	\$ 9,332,763	\$ 50,841,471
Investments	8,056,954	-	-	3,872,229	11,929,183
Receivables, net of allowances:					
Property taxes	2,110,078	-	-	-	2,110,078
Departmental, user charges and other	586,716	-	-	620,208	1,206,924
Intergovernmental	108,534	-	-	1,117,416	1,225,950
Leases	-	-	-	232,272	232,272
Inventories	34,969	-	-	-	34,969
Total Assets	<u>26,794,221</u>	<u>6,059,554</u>	<u>19,552,184</u>	<u>15,174,888</u>	<u>67,580,847</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 26,794,221</u>	<u>\$ 6,059,554</u>	<u>\$ 19,552,184</u>	<u>\$ 15,174,888</u>	<u>\$ 67,580,847</u>
Liabilities:					
Warrants and accounts payable	\$ 933,457	\$ -	\$ 269,361	\$ 471,708	\$ 1,674,526
Accrued payroll and withholdings	3,873,305	-	-	-	3,873,305
Refunds payable	200,000	-	-	-	200,000
Deposits and escrows	185,118	-	-	-	185,118
Unearned revenues	79,423	6,059,554	-	-	6,138,977
Other liabilities	384,136	-	-	-	384,136
Total Liabilities	<u>5,655,439</u>	<u>6,059,554</u>	<u>269,361</u>	<u>471,708</u>	<u>12,456,062</u>
Deferred Inflows of Resources:					
Leased properties	-	-	-	232,272	232,272
Unavailable revenues - property taxes	1,776,848	-	-	-	1,776,848
Unavailable revenues - other	586,716	-	-	526,627	1,113,343
Total Deferred Inflows of Resources	<u>2,363,564</u>	<u>-</u>	<u>-</u>	<u>758,899</u>	<u>3,122,463</u>
Fund Balances:					
Nonspendable	34,969	-	-	2,489,186	2,524,155
Restricted	-	-	19,282,823	11,715,717	30,998,540
Assigned	2,996,879	-	-	-	2,996,879
Unassigned	15,743,370	-	-	(260,622)	15,482,748
Total Fund Balances	<u>18,775,218</u>	<u>-</u>	<u>19,282,823</u>	<u>13,944,281</u>	<u>52,002,322</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 26,794,221</u>	<u>\$ 6,059,554</u>	<u>\$ 19,552,184</u>	<u>\$ 15,174,888</u>	<u>\$ 67,580,847</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION AS OF
JUNE 30, 2023**

Total Governmental Fund Balances	\$ 52,002,322
Capital assets used in governmental activities in the statement of net position are not financial resources and, therefore, are not reported in the funds.	83,611,872
Certain receivables and revenues are deferred in the governmental funds as they are not current financial resources. These revenues are accrued under the economic resources basis of accounting.	2,890,191
Deferred outflows and inflows of resources to be recognized in future expense are not available resources and, therefore, are not reported in the funds:	
Deferred outflows of resources - other postemployment benefits	15,897,840
Deferred outflows of resources - pensions	16,526,589
Deferred inflows of resources - other postemployment benefits	(20,164,606)
Deferred inflows of resources - pensions	<u>(97,640)</u>
Net effect of reporting deferred outflows and inflows of resources	12,162,183
Interest is accrued on outstanding long-term debt in the statement of net position but not in the funds until due.	(171,131)
Long-term liabilities not currently due and payable are reported in the statement of net position and not in the funds:	
Net other postemployment benefits liability	(149,379,821)
Net pension liability	(47,271,266)
Compensated absences	(343,651)
Bonds and notes payable	<u>(22,454,590)</u>
Net effect of reporting long-term liabilities	<u>(219,449,328)</u>
Net Position — Governmental Activities	<u>\$ (68,953,891)</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	ARPA Grant Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Revenues:					
Property taxes, net of tax refunds	\$ 67,311,568	\$ -	\$ -	\$ -	\$ 67,311,568
Intergovernmental	33,141,694	2,144,303	-	10,975,337	46,261,334
Motor vehicle and other excise taxes	6,175,177	-	-	-	6,175,177
Licenses and permits	614,708	-	-	-	614,708
Penalties and interest on taxes	368,696	-	-	-	368,696
Fines and forfeitures	13,479	-	-	-	13,479
Departmental and other revenues	1,702,485	-	-	5,489,055	7,191,540
Contributions and donations	-	-	-	384,433	384,433
Investment income, net	719,926	-	-	87,804	807,730
Total Revenues	110,047,733	2,144,303	-	16,936,629	129,128,665
Expenditures:					
Current:					
General government	4,631,195	87,974	952,887	586,163	6,258,219
Public safety	13,222,642	-	2,243,995	1,931,093	17,397,730
Education	59,317,907	2,056,329	1,957,606	8,833,715	72,165,557
Public works	1,506,680	-	2,161,421	1,410,404	5,078,505
Health and human services	914,741	-	-	514,238	1,428,979
Culture and recreation	1,416,679	-	907,927	396,923	2,721,529
Pension and fringe benefits	15,616,146	-	-	-	15,616,146
State and county charges	5,691,485	-	-	-	5,691,485
Debt service:					
Principal	3,265,000	-	-	-	3,265,000
Interest	713,051	-	-	-	713,051
Total Expenditures	106,295,526	2,144,303	8,223,836	13,672,536	130,336,201
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,752,207	-	(8,223,836)	3,264,093	(1,207,536)
Other Financing Sources (Uses):					
Proceeds from general obligation bonds	-	-	4,825,000	-	4,825,000
Premium from issuance of general obligation bonds	-	-	467,281	-	467,281
Transfers in	1,729,402	-	8,465,000	-	10,194,402
Transfers out	(8,648,240)	-	-	(1,784,527)	(10,432,767)
Total Other Financing Sources (Uses)	(6,918,838)	-	13,757,281	(1,784,527)	5,053,916
Change in Fund Balances	(3,166,631)	-	5,533,445	1,479,566	3,846,380
Fund Balances:					
Beginning of the year	21,941,849	-	13,749,378	12,464,715	48,155,942
End of the year	<u>\$ 18,775,218</u>	<u>\$ -</u>	<u>\$ 19,282,823</u>	<u>\$ 13,944,281</u>	<u>\$ 52,002,322</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, 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, 2023**

Change in Fund Balances — Total Governmental Funds \$ 3,846,380

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and depreciated over their estimated useful lives. Capital asset activity in the current fiscal year included:

Capital asset additions	7,723,031	
Depreciation expense	<u>(5,163,684)</u>	
Net effect of reporting capital activity		2,559,347

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (304,362)

The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on net position. Also, the governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued; whereas these amounts are deferred and amortized in the statement of activities. Differences in the treatment of long-term debt transactions in the current fiscal year included:

Issuance of long-term debt	(4,825,000)	
Premiums received on long-term borrowings	(467,281)	
Repayments of long-term debt	3,265,000	
Amortization of bond premiums	<u>104,971</u>	
Net effect of reporting long-term debt activity		(1,922,310)

Some revenues/expenses reported in the statement of activities do not provide/require the use of current financial resources and therefore are not reported as revenues/expenses in the governmental funds:

Net other postemployment benefits liability	(9,209,176)	
Net pension liability	(6,479,932)	
Compensated absences	(47,948)	
Accrued interest	<u>(21,239)</u>	
Net effect of reporting long-term liabilities		<u>(15,758,295)</u>

Change in Net Position — Governmental Activities \$ (11,579,240)

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Business-Type Activities				
	Sewer	Water	Solid Waste	Electric Light (a)	Total
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 4,342,488	\$ 2,907,849	\$ 2,902,630	\$ 9,243,120	\$ 19,396,087
Investments	34,394	-	-	41,369,327	41,403,721
Receivables, net of allowances:					
User charges and other	2,049,139	2,210,527	546,711	2,052,799	6,859,176
Intergovernmental	10,722	-	-	9,733	20,455
Due from the Town of Plainville	309,265	-	-	-	309,265
Prepaid items	-	-	-	553,734	553,734
Inventories	-	-	-	1,243,014	1,243,014
Total Current Assets	6,746,008	5,118,376	3,449,341	54,471,727	69,785,452
Noncurrent Assets:					
Intergovernmental receivables	6,318	-	-	-	6,318
Due from the Town of Plainville	4,513,833	-	-	-	4,513,833
Net other postemployment benefits asset	907,748	-	-	-	907,748
Land	4,188	151,654	3,492	99,623	258,957
Construction in-progress	-	-	-	286,315	286,315
Depreciable capital assets, net	55,415,509	41,194,886	586,410	15,792,924	112,989,729
Total Noncurrent Assets	60,847,596	41,346,540	589,902	16,178,862	118,962,900
Total Assets	67,593,604	46,464,916	4,039,243	70,650,589	188,748,352
Deferred Outflows of Resources:					
Other postemployment benefits	122,536	110,250	3,169	1,935,249	2,171,204
Pensions	851,007	588,930	220,161	2,491,818	4,151,916
Total Deferred Outflows of Resources	973,543	699,180	223,330	4,427,067	6,323,120

(continued)

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Business-Type Activities				
	Sewer	Water	Solid Waste	Electric Light (a)	Total
Liabilities:					
Current Liabilities:					
Warrants and accounts payable	\$ 117,568	\$ 159,304	\$ 240,196	\$ 2,877,506	\$ 3,394,574
Customer deposits and refunds payable	-	-	-	32,672	32,672
Accrued interest	66,138	62,202	-	1,125	129,465
Compensated absences	2,621	4,098	1,654	334,168	342,541
Short-term note payable	-	3,472,735	-	-	3,472,735
Post-closure landfill monitoring	-	-	92,500	-	92,500
Current portion of long-term debt	2,103,884	995,718	-	60,000	3,159,602
Total Current Liabilities	<u>2,290,211</u>	<u>4,694,057</u>	<u>334,350</u>	<u>3,305,471</u>	<u>10,624,089</u>
Noncurrent liabilities:					
Compensated absences	4,867	7,611	3,071	97,400	112,949
Customer deposits	-	-	-	1,220,952	1,220,952
Customer advances for construction	-	-	-	129,649	129,649
Post-closure landfill monitoring	-	-	1,276,000	-	1,276,000
Net other postemployment benefits liability	-	1,035,933	29,782	1,288,006	2,353,721
Net pension liability	2,404,137	1,671,390	623,743	3,236,227	7,935,497
Long-term debt	26,164,488	8,111,327	-	-	34,275,815
Total Noncurrent Liabilities	<u>28,573,492</u>	<u>10,826,261</u>	<u>1,932,596</u>	<u>5,972,234</u>	<u>47,304,583</u>
Total Liabilities	<u>30,863,703</u>	<u>15,520,318</u>	<u>2,266,946</u>	<u>9,277,705</u>	<u>57,928,672</u>
Deferred Inflows of Resources:					
Unavailable revenues - Town of Plainville	4,823,098	-	-	-	4,823,098
Regulatory rate stabilization reserve	-	-	-	6,992,532	6,992,532
Other postemployment benefits	96,607	139,839	4,020	131,472	371,938
Pensions	7,399	59,176	3,458	2,490,585	2,560,618
Total Deferred Inflows of Resources	<u>4,927,104</u>	<u>199,015</u>	<u>7,478</u>	<u>9,614,589</u>	<u>14,748,186</u>
Net Position:					
Net investment in capital assets	29,100,589	33,678,085	569,560	16,118,862	79,467,096
Restricted for depreciation	-	-	-	22,319,793	22,319,793
Restricted for insurance	-	-	-	548,918	548,918
Unrestricted	3,675,751	(2,233,322)	1,418,589	17,197,789	20,058,807
Total Net Position	<u>\$ 32,776,340</u>	<u>\$ 31,444,763</u>	<u>\$ 1,988,149</u>	<u>\$ 56,185,362</u>	<u>\$ 122,394,614</u>

(concluded)

(a) As of December 31, 2022.

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities				Total
	Sewer	Water	Solid Waste	Electric Light (a)	
Operating Revenues:					
Charges for services	\$ 4,999,520	\$ 4,738,969	\$ 3,117,412	\$ 34,771,280	\$ 47,627,181
Other operating revenues	466,026	40,720	5,018	395,027	906,791
Total Operating Revenues	5,465,546	4,779,689	3,122,430	35,166,307	48,533,972
Operating Expenses:					
Payroll and personnel costs	1,295,121	1,312,874	319,565	4,701,792	7,629,352
Operating costs	2,271,400	2,622,822	3,161,053	28,803,366	36,858,641
Depreciation	2,079,859	1,039,527	31,979	1,661,155	4,812,520
Total Operating Expenses	5,646,380	4,975,223	3,512,597	35,166,313	49,300,513
Operating Loss	(180,834)	(195,534)	(390,167)	(6)	(766,541)
Nonoperating Revenues (Expenses):					
Other nonoperating revenues (expenses)	-	-	-	106,374	106,374
Intergovernmental revenues	764,189	15,528	-	-	779,717
Investment income (loss), net	16,700	8,690	33,403	(2,919,392)	(2,860,599)
Interest expenses	(582,017)	(285,138)	(2,875)	(6,551)	(876,581)
Total Nonoperating Revenues (Expenses)	198,872	(260,920)	30,528	(2,819,569)	(2,851,089)
Income (Loss) Before Transfers	18,038	(456,454)	(359,639)	(2,819,575)	(3,617,630)
Transfers:					
Transfers in	238,365	-	-	-	238,365
Total Transfers	238,365	-	-	-	238,365
Change in Net Position	256,403	(456,454)	(359,639)	(2,819,575)	(3,379,265)
Net Position:					
Beginning of the year	32,519,937	31,901,217	2,347,788	59,004,937	125,773,879
End of the year	<u>\$ 32,776,340</u>	<u>\$ 31,444,763</u>	<u>\$ 1,988,149</u>	<u>\$ 56,185,362</u>	<u>\$ 122,394,614</u>

(a) As of and for the year ended December 31, 2022.

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities				
	Sewer	Water	Solid Waste	Electric Light (a)	Total
Cash Flows from Operating Activities:					
Receipts from user charges	\$ 4,664,557	\$ 4,405,044	\$ 3,043,948	\$ 31,905,114	\$ 44,018,663
Receipts from other operating revenues	466,026	40,720	5,018	501,401	1,013,165
Payments to employees	(1,319,333)	(1,386,030)	(384,629)	(4,392,455)	(7,482,447)
Payments to vendors	(2,358,581)	(2,731,107)	(3,220,737)	(29,173,124)	(37,483,549)
Net Cash Provided By (Used In) Operating Activities	<u>1,452,669</u>	<u>328,627</u>	<u>(556,400)</u>	<u>(1,159,064)</u>	<u>65,832</u>
Cash Flows from Noncapital Financial Activities:					
Intergovernmental receipts	781,803	15,528	-	-	797,331
Transfers in	238,365	-	-	-	238,365
Net Cash Provided By Noncapital Financing Activities	<u>1,020,168</u>	<u>15,528</u>	<u>-</u>	<u>-</u>	<u>1,035,696</u>
Cash Flows from Capital and Related Financing Activities:					
Customer advances for construction	-	-	-	25,751	25,751
Capital contributions	-	-	-	-	-
Proceeds from the issuance of long-term debt	920,000	1,415,000	-	-	2,335,000
Proceeds from the issuance of short-term debt	-	3,259,408	-	-	3,259,408
Premiums received on debt issuances	92,706	122,542	-	-	215,248
Acquisition and construction of capital assets	(1,974,756)	(4,612,222)	(285,561)	(1,430,567)	(8,303,106)
Principal repayments on long-term debt	(2,204,858)	(875,275)	(100,000)	(60,000)	(3,240,133)
Repayments on short-term debt	-	-	-	-	-
Interest payments	(581,765)	(276,118)	(4,600)	(7,676)	(870,159)
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>(3,748,673)</u>	<u>(966,665)</u>	<u>(390,161)</u>	<u>(1,472,492)</u>	<u>(6,577,991)</u>
Cash Flow from Investing Activities:					
Investment income	16,700	8,690	33,403	(11,478,117)	(11,419,324)
Investment of operating cash	27,938	-	-	1,410,119	1,438,057
Net Cash Provided By (Used in) Investing Activities	<u>44,638</u>	<u>8,690</u>	<u>33,403</u>	<u>(10,067,998)</u>	<u>(9,981,267)</u>
Change in Cash and Cash Equivalents	<u>(1,231,198)</u>	<u>(613,820)</u>	<u>(913,158)</u>	<u>(12,699,554)</u>	<u>(15,457,730)</u>
Cash and Cash Equivalents:					
Beginning of the year	5,573,686	3,521,669	3,815,788	21,942,674	34,853,817
End of the year	<u>\$ 4,342,488</u>	<u>\$ 2,907,849</u>	<u>\$ 2,902,630</u>	<u>\$ 9,243,120</u>	<u>\$ 19,396,087</u>

(continued)

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities				
	Sewer	Water	Solid Waste	Electric Light (a)	Total
Reconciliation of Operating Loss to Net Cash Provided By (Used In) Operating Activities:					
Operating Loss	\$ (180,834)	\$ (195,534)	\$ (390,167)	\$ (6)	\$ (766,541)
Adjustments to Reconcile Operating Loss to Net Cash Provided By (Used In) Operating Activities:					
Depreciation expense	2,079,859	1,039,527	31,979	1,661,155	4,812,520
Changes in assets, deferred outflows (inflows) of resources and liabilities:					
Receivables and other current assets	(334,963)	(333,925)	(73,464)	(977,646)	(1,719,998)
Warrants payable and other current liabilities	(127,892)	(156,586)	21,675	(541,493)	(804,296)
Accrued and deferred benefits payable	16,499	(24,855)	(146,423)	(1,301,074)	(1,455,853)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,452,669</u>	<u>\$ 328,627</u>	<u>\$ (556,400)</u>	<u>\$ (1,159,064)</u>	<u>\$ 65,832</u> <i>(concluded)</i>

(a) As of and for the year ended December 31, 2022.

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Pension and Other Employee Benefit Trust Funds (a)</u>	<u>Private Purpose Trust Funds</u>
Assets:		
Cash and cash equivalents	\$ 3,186,208	\$ 392,261
Investments at fair value:		
Fixed income securities	2,298,556	203,802
Equity securities	30,752,714	-
Mutual funds	94,547,869	-
Other investments	22,772,850	-
Receivables	<u>4,356</u>	<u>-</u>
Total Assets	<u>153,562,553</u>	<u>596,063</u>
Liabilities:		
Warrants and accounts payable	<u>913,959</u>	<u>-</u>
Total Liabilities	<u>913,959</u>	<u>-</u>
Net Position:		
Restricted for pensions	139,696,616	-
Restricted for other postemployment benefits	12,951,978	-
Held in trust for private purposes	<u>-</u>	<u>596,063</u>
Total Net Position	<u>\$ 152,648,594</u>	<u>\$ 596,063</u>

(a) Refer to Note III to the financial statements.

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Pension and Other Employee Benefit Trust Funds (a)</u>	<u>Private Purpose Trust Funds</u>
Additions:		
Employer contributions	\$ 11,569,078	\$ -
Employee contributions	3,119,669	-
Other contributions	<u>556,949</u>	<u>5,921</u>
Total contributions	<u>15,245,696</u>	<u>5,921</u>
Investment income:		
Interest and dividends	2,573,096	36,335
Net change in fair value of investments	(28,064,206)	-
Less investment management fees	<u>(1,011,716)</u>	<u>-</u>
Total net investment income (loss)	<u>(26,502,826)</u>	<u>36,335</u>
Other income	<u>6,812</u>	<u>-</u>
Total Additions	<u>(11,250,318)</u>	<u>42,256</u>
Deductions:		
Benefits and refunds to Plan members:		
Benefits to retirees and survivors	16,342,534	-
Member refunds	208,813	-
Transfers and reimbursements to other systems	833,144	-
Administrative expenses:		
Operations payroll and related personnel costs	132,320	-
Other administrative expenses	108,107	-
Public assistance	<u>-</u>	<u>44,533</u>
Total Deductions	<u>17,624,918</u>	<u>44,533</u>
Change in Net Position	(28,875,236)	(2,277)
Net Position:		
Beginning of the year	<u>181,523,830</u>	<u>598,340</u>
End of the year	<u>\$ 152,648,594</u>	<u>\$ 596,063</u>

(a) Refer to Note III to the financial statements.

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

NOTES TO BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

I. Summary of Significant Accounting Policies

The accompanying basic financial statements of the Town of North Attleborough (the “Town”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board (“GASB”), which is the primary standard-setting body for state and local government entities. The following is a summary of the more significant policies and practices used by the Town.

A. Reporting Entity

The Town is located in Bristol County and is centrally located between the cities of Boston and Worcester, Massachusetts and Providence, Rhode Island. The Town borders the State of Rhode Island. The Town was incorporated in 1887.

The Town is governed by a nine-member elected Town Council, each serving two-year terms, with an appointed Town Manager who oversees the Town’s day-to-day operations. The Town provides governmental services for the territory within its boundaries, including education, public safety, public works, health and human services, culture and recreation and general governmental services. Additionally, the Town owns and operates sewer, water, solid waste and electricity operations; each of which are funded through user charges and treated as business enterprises in these basic financial statements.

Component units, while separate entities, are in substance part of the governmental operations if the significance of their operations and/or financial relationship with the Town meet certain criteria. The North Attleborough Contributory Retirement System (the “Retirement System”) is a component unit of the Town. The Retirement System was established to provide benefits to Town employees and employees of the North Attleborough Housing Authority. While legally separate, the Retirement System provides services almost entirely to the Town and is presented as if it were part of the primary government through a method of inclusion known as blending. The Retirement System, which has a December 31, 2022 year end, is reported as a pension trust in the fiduciary fund financial statements.

The North Attleborough Electric Department, (the “Electric Department” or “Electric Light”), which provides electrical services to the Town’s inhabitants, is required to be included as a component unit of the Town. Electric Department accounts for its operations on a calendar year basis. The net position and results of Electric Department’s operations as of and for the year ended December 31, 2022 have been included in the Town’s proprietary funds financial statements. The Electric Department issued stand-alone audited financial statements from another auditor, which can be obtained from the Electric Department. The Electric Department is located at 275 Landry Avenue, North Attleborough, Massachusetts 02760.

In addition, the Town is a member community of the Tri-County Regional Vocational Technical School. This joint venture assesses each of the eleven member communities its share of the operational and debt service costs based on student population and other factors. In fiscal year 2023, the Town's assessment was approximately \$3.6 million. There is no equity interest reported in these financial statements. Complete audited financial statements can be obtained directly from the school's administrative office located at 147 Pond Street, Franklin, Massachusetts 02038.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of material interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Major Fund Criteria – Major funds must be reported if both of the following criteria are met:

- 1) The total assets, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10% of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
- 2) The total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding element for all governmental and enterprise funds combined.

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given 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 (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The effect of material interfund activity has been removed from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., measurable and available). Revenues are considered to be available when they are 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, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

The Town applies the susceptible to accrual criteria to intergovernmental revenues. In applying the susceptible to accrual concept, there are two types of revenues. In the first, monies must be expended for a specific purpose or project before any amounts will be paid; therefore, revenues are recognized as expenditures are incurred. In the second, funds are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues when cash is received, or earlier if the susceptible to accrual criteria are met. State aid is accrued as revenue in the year that the funds are appropriated by the Commonwealth of Massachusetts (the "Commonwealth").

The Town considers property tax revenues to be available if they are both material and collected within sixty days after the end of the fiscal year. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.

The Electric Department's rates are proposed by the Electric Department and approved by the Board of Electric Commissioners. The rates may be changed once every three months. Rate schedules are filed with the Massachusetts Department of Public Utilities ("DPU"). While the DPU exercises general supervisory authority over the Electric Department, rates are not subject to DPU approval. Rates must be set such that net earnings from operations do not exceed 8% of the cost of the utility plant. Rates include a purchased power cost adjustment, which allows an adjustment of rates charged to customers in order to recover all changes in capacity and fuel costs from stipulated base cost.

The government reports the following major governmental funds:

General Fund – is the government's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

ARPA Fund – was established as a major governmental fund in fiscal year 2023 and is used to account for the Town's expenditure of the American Rescue Plan Act of 2021.

Capital Project Funds – is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Nonmajor Governmental Funds – consist of other special revenue 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:

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized 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 a proprietary fund's principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports its sewer, water, solid waste (a nonmajor fund) and electric light enterprise funds as major proprietary funds.

Fiduciary fund financial statements are reported using the economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity and cannot be used to support the governmental programs. The Town reports the following fiduciary funds:

Pension and Other Employee Benefits Trust Funds – is used to account for the activities of the Retirement System, which accumulates resources for pension benefits to retired Town and Electric Department employees, and to accumulate funds for future payments of other postemployment benefits, or OPEB, for retirees such as health and life insurance.

Private-Purpose Trust Funds – are used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments. This fund is used primarily for public assistance and scholarships.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources, as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Equity

Deposits and Investments – The Town’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the Town and its component unit are reported at fair value. When actively quoted observable prices are not available, the Town generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.
- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.
- *Level 3* – Inputs reflect the Town’s best estimate of what market participants would use in pricing the investment at the measurement date.

The remaining investments not categorized under the fair value hierarchy as shown as being valued at either amortized cost or at net asset value (“NAV”). These are investments in nongovernmental entities for which readily determinable fair value is not available, such as member units or an ownership interest in partners’ capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

Receivables – Real estate and personal property taxes are assessed on January 1 every year. Bills are sent semiannually with quarterly due dates of August 1, November 1, February 1, and May 1. Interest accrues on delinquent taxes up to the maximum statutory rate per annum. Property taxes levied are recorded as receivables in the fiscal year of the levy.

Real estate taxes and water, sewer and other user fees are secured through a lien process within sixty days after the due date and are considered 100% collectible. Accordingly, an allowance for uncollectible balances for these receivables is not reported. All personal property tax, excise tax and other departmental receivables are shown net of an allowance for uncollectible balances comprised of those outstanding amounts greater than five years old.

The Town has entered into loan agreements with the Massachusetts Clean Water Trust (“MCWT”). The Town expects to be subsidized by MCWT in future years on a periodic basis for principal and interest costs relative to governmental and business-type activities until maturity of these agreements. The Town is legally obligated for the total amount of the debt and these amounts have been recorded in the sewer enterprise fund. In addition, a receivable has also been reflected for the principal amount of the subsidies.

Inventories and Prepaid Items – In general, inventories are considered to be expenditures at the time of purchase. With respect to the Electric Department, materials and supplies are inventories of parts and accessories purchased for use in Electric Department’s operations. Materials and supplies inventory are stated at the lower of cost or market with cost being determined on a first-in, first-out basis.

Certain payments to vendors reflect costs applicable to future accounting periods and may be recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Capital assets, which include land, land improvements, buildings and improvements, machinery and equipment, vehicles, library materials and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Land improvements	20 years
Buildings and improvements	20 – 40 years
Vehicles, machinery and equipment	5 – 10 years
Infrastructure	30 – 75 years

Additionally, the statutory provision for depreciation of Electric Department utility plant is computed on the straight-line basis are rates between 3% and 5% of the cost of plant in service at the beginning of the year, exclusive of land and land rights. The Electric Department depreciates its capital assets using a 3.5% rate, which approximates GAAP based on the average age of the utility plant assets and was approved by the DPU.

Interfund Balances – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Interfund Transfers – During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out in the individual fund statements. Transfers between and within governmental and fiduciary funds are eliminated from the governmental activities in the statement of activities.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the statement of activities as transfers, net.

Investment Income – Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by state law. Investment income of the proprietary funds may be voluntarily assigned to the general fund.

Compensated Absences – It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Amounts related to these benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

Unearned Revenues – Amounts collected in advance from federal and state grants are reported as unearned revenues, if material.

Long-Term Debt – Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

Risk Financing – The Town insures for workers’ compensation, health, unemployment benefits, casualty, theft and other losses. Uninsured losses are recorded as expenditures when incurred.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources in its government-wide financial statements relative to its net OPEB and pension liabilities, which it expects to amortize into expense over the next five years. The Town does not report deferred outflows of resources in its governmental funds financial statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources in its government-wide financial statements relative to future expected receipts under long-term leases, which it expects to recognize over the term of the lease agreements, net OPEB and pension liabilities, which it expects to amortize against expense over the next five years, as well as certain Electric Department, sewer and water transactions. The Town reports unavailable revenues as deferred inflows of resources in its governmental funds financial statements, which it will recognize as revenues when these items become available.

Net Position – In the government-wide financial statements, 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 related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. Net position has been restricted for the following:

Nonexpendable perpetual funds represent the endowment portion of donor restricted trusts that support governmental programs.

Expendable perpetual funds represent the spendable portion of donor restricted trusts that support governmental programs.

Capital projects represent funds restricted for use in capital outlays.

Depreciation fund represents funds restricted for capital purposes or to offset future power costs to stabilize rates of the Electric Department.

Insurance fund represent funds restricted for future insurance expenses of the Electric Department.

Other purposes represent assets that are restricted by donors or the Town for specific governmental programs and uses, revolving funds and federal and state grants.

Fund Equity – The Town presents fund balances in its governmental funds financial statements using classifications that comprise a hierarchy based primarily on the extent in which the Town is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned as described below:

Nonspendable represents amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventory or prepaid items) or (b) legally or contractually required to be maintained intact such as the corpus of an endowment.

Restricted represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Town to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed represents amounts that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision-making authority, which is the Town Meeting action, and can be modified or rescinded through these actions.

Assigned represents amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the Town's policy to use committed resources first, then assigned, and then unassigned as they are needed.

E. Use of Estimates

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 fiscal year. Actual results could vary from estimates that were used.

II. Detailed Notes to All Funds

A. Deposits and Investments

A cash and investment pool is maintained and 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 trust funds are held separately from those of other funds.

State laws and regulations require the Town to invest funds only in pre-approved investment instruments which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements and Massachusetts Municipal Depository Trust (the "MMDT"), which is administered by the Treasurer of the Commonwealth. In addition, the statutes impose various limitations on the amount and length of investments and deposits.

Primary Government

Custodial Credit Risk: Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's investment policy states that no more than 25% of the Town's deposits may be comprised of unsecured bank deposits. At June 30, 2023, the Town maintained approximately \$16.2 million in uninsured deposits. Depository insurance is provided by the Federal Depository Insurance Corporation ("FDIC"); some institutions carry additional depository insurance provided by the Depositors Insurance Fund.

Custodial Credit Risk: Investments – In the case of investments, this is the risk that in the event of the invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the Town may not be able to recover the full amount of its principal investment and/or investment earnings. The Town's investment policy contains provisions related to custodial credit risk. All the Town's investments are registered in its name and cannot be pledged or assigned. The Town is not exposed to custodial credit risk on its investments.

Fair Value Measurements: Investments – The following table presents the Town’s investments carried at fair value on a recurring basis in at June 30, 2023 (inclusive of investments held by the Electric Department, which are as of December 31, 2022):

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt securities:				
U.S. Treasury notes	\$ 17,339,473	\$ 17,339,473	\$ -	\$ -
U.S. Governmental agency obligations	4,957,462	4,957,462	-	-
Corporate bonds	31,490,264	-	31,490,264	-
Total debt securities	53,787,199	22,296,935	31,490,264	-
Equity securities:				
Mutual funds	1,843,463	1,126,584	716,879	-
	9,900,591	9,900,591	-	-
Total investments measured at fair value	65,531,253	\$ 33,324,110	\$ 32,207,143	\$ -
Investments measured at amortized cost:				
MMDT	929,943			
Total investments	\$ 66,461,196			

Short-term investments in the MMDT are measured at amortized cost, which approximates fair value.

Interest Rate Risk: Investments – This is the risk that changes in interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the more sensitive it is to changes in market interest rates. The Town’s investment policy requires that it manage the duration of its investments to mitigate interest rate risk.

The following table presents the Town’s investments and maturities at June 30, 2023 (inclusive of investments held by the Electric Department, which are as of December 31, 2022):

Investment Type	Fair Value	Time Until Maturity (in years)		
		Less than 1	1 to 5	6 to 10
U.S. government and agency obligations	\$ 22,296,935	\$ 19,645,011	\$ 2,651,297	\$ 627
Corporate fixed income securities	31,490,264	3,942,319	24,867,671	2,680,274
Total investments with maturities	53,787,199	\$ 23,587,330	\$ 27,518,968	\$ 2,680,901
Other Investments:				
Equity securities	1,843,463			
Mutual funds	9,900,591			
MMDT	929,943			
Total Town investments	\$ 66,461,196			

Concentration of Credit Risk: Investments – The Town’s investment policy limits its ability to have concentrations in certain investments and permits it to have unlimited investments in others including the MMDT, U.S. Treasury and agency obligation investments. The Town’s investment policy seeks to minimize this risk by diversifying its investment portfolio so that the impact of potential losses from one type of security or issuer will be minimalized. At June 30, 2023, approximately 34% of the Town’s investments were in the form of U.S. Treasury notes or other U.S. governmental agency obligations. No other individual investment represented more than 5% of the Town’s total investments.

Credit Risk: Investments – All the Town’s investments in debt securities are classified as investment grade by Moody’s Investors Service.

Retirement System (December 31, 2022)

Custodial Credit Risk: Deposits – All of the Retirement System’s bank deposits were fully insured by the FDIC.

Custodial Credit Risk: Investments – All of the Retirement System’s investments are registered in its name and cannot be pledged or assigned. The Retirement System is not exposed to custodial credit risk on its investments.

Fair Value Measurements: Investments – The following table presents the Retirement System’s investments carried at fair value on a recurring basis in at December 31, 2022:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Equity Securities	\$ 29,998,084	\$ 29,998,084	\$ -	\$ -
Mutual Funds:				
Domestic equity mutual funds	42,952,375	14,851,722	28,100,653	-
International equity mutual funds	6,921,136	6,921,136	-	-
Fixed income mutual funds	24,054,578	9,563,750	14,490,828	-
Total investments measured at fair value	103,926,173	\$ 61,334,692	\$ 42,591,481	\$ -
Investments measured at NAV:				
Mutual funds	10,748,476			
Private equity funds	22,772,850			
Total investments	\$ 137,447,499			
Investments Measured at NAV		Unfunded		
by Asset Class	Fair Value	Commitments		
Mutual funds	\$ 10,748,476	\$ -		
Private equity funds	22,772,850	-		
	\$ 33,521,326	\$ -		

Investments measured at NAV include comingled/pooled funds in private equity or venture funds, real estate and mutual funds investing in international equities. The Retirement System is a general partner in private equity, venture capital fund or similar investment vehicles. The value of these investments are recorded at values determined in good faith by the general partners of the private equity and venture capital firms after consideration of pertinent information, including current financial position and operative results, price-earnings multiples and available market prices of similar companies' securities, the nature of the securities, marketability, restrictions on disposition and other appropriation and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot reasonably be determined until individual securities are liquidated. In addition, fair values of real estate funds are generally based on independent, third-party appraisals. By their very nature, these investments are illiquid and typically cannot be resold or redeemed. Distributions from each fund will be received as the underlying investments are liquidated. It is expected that the underlying assets for the funds will be liquidated over an average of ten years.

Because of the inherent uncertainty of valuations used in many of the Retirement System's investments measured at NAV, estimated values may differ significantly from the values that would have been used had a ready market for positions in privately held companies or the real estate existed at December 31, 2022. These differences could have a material adverse effect on the Retirement System's financial statements.

Interest Rate Risk: Investments – The Retirement System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk: Investments – The Retirement System follows the investment guidance set forth under Massachusetts General Law (“MGL”) and Massachusetts Public Employee Retirement Administration Commission, or PERAC. The following individual investments held by the Retirement System each exceeded 5% of total investments at December 31, 2022:

Rhumblin Core Bond Fund	11.3%
Rhumblin S&P 500 Fund	10.8%
Aristole Value Equity Fund	10.8%
Loomis, Sayles & Company Large Cap Growth Fund	9.6%
Brandes Core Fixed Income Fund	6.2%
BlackRock Granite Real Estate Fund	6.1%
Intercontinental U.S. Real Estate Investment Fund	5.8%
Vontobel Internal Equity Fund	5.1%
Lazard International Strategic Equity Portfolio	5.0%

No other individual investment represented more than 5% of the Retirement System's total investments.

Credit Risk: Investments – The Retirement System does not maintain any individual fixed income security whose credit worthiness was rated by a recognized credit rating agency.

B. Receivables

Receivables as of June 30, 2023 for the Town’s individual and nonmajor governmental funds in the aggregate, including applicable allowances for uncollectible accounts, were as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Real estate taxes	\$ 1,129,088	\$ -	\$ 1,129,088
Personal property taxes	109,444	(18,000)	91,444
Tax liens	889,546	-	889,546
Motor vehicle and other excise taxes	1,030,716	(444,000)	586,716
Departmental and other	1,993,208	(1,373,000)	620,208
Intergovernmental	1,225,950	-	1,225,950
Leases	<u>232,272</u>	<u>-</u>	<u>232,272</u>
	<u>\$ 6,610,224</u>	<u>\$ (1,835,000)</u>	<u>\$ 4,775,224</u>

Receivables as of June 30, 2023 for the Town’s proprietary funds (the Electric Department’s balances are as of December 31, 2022) were as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Sewer user charges	\$ 2,049,139	\$ -	\$ 2,049,139
Water user charges	2,210,527	-	2,210,527
Solid waste user charges	546,711	-	546,711
Electric Light user charges	2,343,799	(291,000)	2,052,799
Due from Plainville	4,823,098	-	4,823,098
Due from MCWT	17,040	-	17,040
Other intergovernmental	<u>9,733</u>	<u>-</u>	<u>9,733</u>
	<u>\$ 12,000,047</u>	<u>\$ (291,000)</u>	<u>\$ 11,709,047</u>

Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The following table identifies the components of unavailable revenues in the governmental funds:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Real estate and personal property taxes	\$ 887,302	\$ -	\$ 887,302
Tax liens	889,546	-	889,546
Motor vehicle and other excise taxes	586,716	-	586,716
Departmental and other	<u>-</u>	<u>526,627</u>	<u>526,627</u>
	<u>\$ 2,363,564</u>	<u>\$ 526,627</u>	<u>\$ 2,890,191</u>

The sewer enterprise reports unavailable revenues in the amount of \$4,823,098 in its statement of net position relative to an intermunicipal agreement with the Town of Plainville at June 30, 2023. Under the terms of this agreement, the Town of Plainville pays the Town for its proportionate share of certain debt in the name of the Town for shared debt associated with certain infrastructure upgrades. The sewer enterprise is recognizing these deferrals over the same period as the debt instruments, which run through fiscal year 2045.

Leases Receivable – The Town leases property to a number of lessors with lease terms as long as four years. A single existing long-term lease runs through fiscal year 2025. The net present value of future receipts from leased property totaled \$232,272 at June 30, 2023 using a discount rate of 2.21% and is reported as leases receivable in the Town’s nonmajor governmental funds. The Town reported lease revenues of \$112,383 and interest income on these leases of \$11,617 in fiscal year 2023. In addition, the Town received \$10,000 in variable consideration related to this lease that is not included in the measurement of the lease receivable.

The Town expects to receive \$120,000 in fiscal years 2024 and 2025 under the terms of the current lease arrangement; interest income of \$5,133 and \$2,595 will be recognized in fiscal years 2024 and 2025, respectively.

C. Interfund Transfers

The composition of interfund transfers for the fiscal year ended June 30, 2023 was as follows:

<u>Transfers Out</u>	<u>Transfers In</u>			
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Enterprise Funds</u>	<u>Total</u>
General fund	\$ -	\$ 8,465,000	\$ 183,240	\$ 8,648,240 (1)
Nonmajor governmental funds	<u>1,729,402</u>	<u>-</u>	<u>55,125</u>	<u>1,784,527</u> (2)
	<u>\$ 1,729,402</u>	<u>\$ 8,465,000</u>	<u>\$ 238,365</u>	<u>\$10,432,767</u>

- (1) General fund transferred \$7,340,000 to capital projects from free cash and \$1,125,000 from capital stabilization to fund capital articles; \$183,240 in debt service was paid on behalf of the sewer enterprise fund (final year).
- (2) Primarily transfers from special revenues to the general fund to supplement the Town's operating budget.

D. Capital Assets

Capital asset activity for the year ended June 30, 2023 (the Electric Department's activity is for the year ended December 31, 2022) was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<i><u>Governmental Activities:</u></i>				
Capital assets not being depreciated:				
Land	\$ 9,446,948	\$ 22,359	\$ -	\$ 9,469,307
Capital assets being depreciated:				
Buildings and improvements	78,857,310	2,284,205	-	81,141,515
Infrastructure	76,471,511	347,530	-	76,819,041
Machinery and equipment	22,834,524	4,143,701	(74,094)	26,904,131
Vehicles	<u>3,582,217</u>	<u>925,236</u>	<u>-</u>	<u>4,507,453</u>
Total capital assets being depreciated	<u>181,745,562</u>	<u>7,700,672</u>	<u>(74,094)</u>	<u>189,372,140</u>
Less accumulated depreciation for:				
Buildings and improvements	(45,675,238)	(1,744,071)	-	(47,419,309)
Infrastructure	(45,585,805)	(1,557,825)	-	(47,143,630)
Machinery and equipment	(15,988,016)	(1,513,492)	74,094	(17,427,414)
Vehicles	<u>(2,890,926)</u>	<u>(348,296)</u>	<u>-</u>	<u>(3,239,222)</u>
Total accumulated depreciation	<u>(110,139,985)</u>	<u>(5,163,684)</u>	<u>74,094</u>	<u>(115,229,575)</u>
Total capital assets being depreciated, net	<u>71,605,577</u>	<u>2,536,988</u>	<u>-</u>	<u>74,142,565</u>
Total governmental activities capital assets, net	<u>\$ 81,052,525</u>	<u>\$ 2,559,347</u>	<u>\$ -</u>	<u>\$ 83,611,872</u>
<i><u>Business-Type Activities: Combined</u></i>				
Capital assets not being depreciated:				
Land	\$ 258,957	\$ -	\$ -	\$ 258,957
Construction in-progress	<u>173,284</u>	<u>113,031</u>	<u>-</u>	<u>286,315</u>
Total capital assets not being depreciated	<u>432,241</u>	<u>113,031</u>	<u>-</u>	<u>545,272</u>
Capital assets being depreciated:				
Electric plant	55,371,881	1,317,536	(130,736)	56,558,681
Buildings and improvements	3,891,801	234,749	-	4,126,550
Infrastructure	158,355,133	6,379,757	-	164,734,890
Machinery and equipment	5,135,920	152,512	(7,815)	5,280,617
Vehicles	<u>1,055,352</u>	<u>105,521</u>	<u>-</u>	<u>1,160,873</u>
Total capital assets being depreciated	<u>223,810,087</u>	<u>8,190,075</u>	<u>(138,551)</u>	<u>231,861,611</u>
Less accumulated depreciation for:				
Electric plant	(39,235,338)	(1,661,155)	130,736	(40,765,757)
Buildings and improvements	(1,573,489)	(112,144)	-	(1,685,633)
Infrastructure	(68,334,587)	(2,786,236)	-	(71,120,823)
Machinery and equipment	(4,102,799)	(191,426)	7,815	(4,286,410)
Vehicles	<u>(951,700)</u>	<u>(61,559)</u>	<u>-</u>	<u>(1,013,259)</u>
Total accumulated depreciation	<u>(114,197,913)</u>	<u>(4,812,520)</u>	<u>138,551</u>	<u>(118,871,882)</u>
Total capital assets being depreciated, net	<u>109,612,174</u>	<u>3,377,555</u>	<u>-</u>	<u>112,989,729</u>
Total business-type activities capital assets, net	<u>\$ 110,044,415</u>	<u>\$ 3,490,586</u>	<u>\$ -</u>	<u>\$ 113,535,001</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-Type Activities: Sewer</i>				
Capital assets not being depreciated:				
Land	\$ 4,188	\$ -	\$ -	\$ 4,188
Capital assets being depreciated:				
Buildings and improvements	2,061,335	64,829	-	2,126,164
Infrastructure	100,837,137	1,886,617	-	102,723,754
Machinery and equipment	1,167,930	23,310	-	1,191,240
Vehicles	333,145	-	-	333,145
Total capital assets being depreciated	<u>104,399,547</u>	<u>1,974,756</u>	<u>-</u>	<u>106,374,303</u>
Less accumulated depreciation for:				
Buildings and improvements	(894,455)	(64,083)	-	(958,538)
Infrastructure	(46,708,516)	(1,957,998)	-	(48,666,514)
Machinery and equipment	(942,819)	(57,778)	-	(1,000,597)
Vehicles	(333,145)	-	-	(333,145)
Total accumulated depreciation	<u>(48,878,935)</u>	<u>(2,079,859)</u>	<u>-</u>	<u>(50,958,794)</u>
Total capital assets being depreciated, net	<u>55,520,612</u>	<u>(105,103)</u>	<u>-</u>	<u>55,415,509</u>
Total sewer capital assets, net	<u>\$ 55,524,800</u>	<u>\$ (105,103)</u>	<u>\$ -</u>	<u>\$ 55,419,697</u>
<i>Business-Type Activities: Water</i>				
Capital assets not being depreciated:				
Land	\$ 151,654	\$ -	\$ -	\$ 151,654
Capital assets being depreciated:				
Buildings and improvements	1,573,570	-	-	1,573,570
Infrastructure	57,517,996	4,493,140	-	62,011,136
Machinery and equipment	3,771,797	58,560	(7,815)	3,822,542
Vehicles	698,936	60,522	-	759,458
Total capital assets being depreciated	<u>63,562,299</u>	<u>4,612,222</u>	<u>(7,815)</u>	<u>68,166,706</u>
Less accumulated depreciation for:				
Buildings and improvements	(621,923)	(41,203)	-	(663,126)
Infrastructure	(21,626,071)	(828,238)	-	(22,454,309)
Machinery and equipment	(3,096,830)	(116,777)	7,815	(3,205,792)
Vehicles	(595,284)	(53,309)	-	(648,593)
Total accumulated depreciation	<u>(25,940,108)</u>	<u>(1,039,527)</u>	<u>7,815</u>	<u>(26,971,820)</u>
Total capital assets being depreciated, net	<u>37,622,191</u>	<u>3,572,695</u>	<u>-</u>	<u>41,194,886</u>
Total water capital assets, net	<u>\$ 37,773,845</u>	<u>\$ 3,572,695</u>	<u>\$ -</u>	<u>\$ 41,346,540</u>

(continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business-Type Activities: Solid Waste</i>				
Capital assets not being depreciated:				
Land	\$ 3,492	\$ -	\$ -	\$ 3,492
Capital assets being depreciated:				
Buildings and improvements	256,896	169,920	-	426,816
Machinery and equipment	196,193	70,642	-	266,835
Vehicles	23,271	44,999	-	68,270
Total capital assets being depreciated	476,360	285,561	-	761,921
Less accumulated depreciation for:				
Buildings and improvements	(57,111)	(6,858)	-	(63,969)
Machinery and equipment	(63,150)	(16,871)	-	(80,021)
Vehicles	(23,271)	(8,250)	-	(31,521)
Total accumulated depreciation	(143,532)	(31,979)	-	(175,511)
Total capital assets being depreciated, net	332,828	253,582	-	586,410
Total solid waste capital assets, net	<u>\$ 336,320</u>	<u>\$ 253,582</u>	<u>\$ -</u>	<u>\$ 589,902</u>
<i>Business-Type Activities: Electric Light</i>				
Capital assets not being depreciated:				
Land	\$ 99,623	\$ -	\$ -	\$ 99,623
Construction in-progress	173,284	113,031	-	286,315
Total capital assets not being depreciated	272,907	113,031	-	385,938
Capital assets being depreciated:				
Distribution plant	40,669,453	321,661	(90,364)	40,900,750
General plant	14,702,428	995,875	(40,372)	15,657,931
Total capital assets being depreciated	55,371,881	1,317,536	(130,736)	56,558,681
Less accumulated depreciation for:				
Distribution plant	(29,503,795)	(1,243,094)	90,364	(30,656,525)
General plant	(9,731,543)	(418,061)	40,372	(10,109,232)
Total accumulated depreciation	(39,235,338)	(1,661,155)	130,736	(40,765,757)
Total capital assets being depreciated, net	16,136,543	(343,619)	-	15,792,924
Total Electric Light capital assets, net	<u>\$ 16,409,450</u>	<u>\$ (230,588)</u>	<u>\$ -</u>	<u>\$ 16,178,862</u>

(concluded)

Depreciation expense was charged to governmental activities' functions/programs as follows:

General government	\$ 232,976
Public safety	841,739
Education	2,022,765
Public works	1,916,137
Culture and recreation	150,067
	<u>\$ 5,163,684</u>

E. Purchased Power Working Capital

The Electric Department maintains a purchased power working capital account with Energy New England, its power supply agent. The implementation of the Working Capital Program began August 1, 1985 and was originally administered by the Massachusetts Municipal Wholesale Electric Company (“MMWEC”). Under the terms of the Working Capital Program, the Electric Department approved certain working capital amendments to various power purchase agreements, which require the power supply agent to hold a set amount of capital from which it may pay the Electric Department’s power obligations when they are due. The fund is replenished as needed from our monthly invoice payments. The income earned and allocated to the Electric Department remains in the account. The balance in this fund was \$2,656,970 at December 31, 2022.

The Electric Department also has deposits with the MMWEC in the amount of \$81,655 at December 31, 2022.

F. Temporary Debt

The Town is authorized to borrow on a temporary basis to fund the following:

Current Operating Costs – Prior to collection of revenues, expenditures may be financed through the issuance of revenue or tax anticipation notes.

Capital Projects and Other Approved Costs – Projects may be temporarily funded through the issuance of bond anticipation notes or grant anticipation notes. In certain cases, prior to the issuance of these temporary notes, the governing body must take the necessary legal steps to authorize the issuance of the general obligation bonds. Temporary notes may not exceed the aggregate amount of bonds authorized or the grant award amount.

Temporary notes are general obligations of the Town and carry maturity dates that are limited by state law. Interest expenditures and expenses for temporary borrowings are accounted for in the general fund and enterprise funds, respectively. The following summarizes the Town’s temporary borrowings for the fiscal year ended June 30, 2023:

<u>Type</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
MCWT interim note	0.00%	3/29/2025	<u>\$ 213,327</u>	<u>\$ 3,259,408</u>	<u>\$ -</u>	<u>\$ 3,472,735</u>

In fiscal year 2022, the Town executed a \$4,541,545 interim loan agreement with the MCWT in its water enterprise fund, which is expected to mature and convert into a twenty-year, 2.0% term loan in March 2025. The proceeds of this interim loan are intended to fund a PFAS remediation project to the Adamsdale well. At June 30, 2023, the Town had the ability to draw an additional \$1,068,810 under this interim loan agreement.

In June 2023, the Town executed a \$7,250,061 interim loan agreement with the MCWT in its water enterprise fund. No amounts were drawn on this interim loan agreement in fiscal year 2023.

G. Long-Term Obligations

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental and business-type activities. Additionally, the Town incurs various other long-term obligations primarily related to personnel costs.

The following reflects the current year activity (the Electric Department's activity is for the year ended December 31, 2022) in the long-term liability accounts:

Description of Issue	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Governmental Activities:</i>					
General obligation bonds	\$ 20,045,000	\$ 4,825,000	\$ (3,265,000)	\$ 21,605,000	\$ 2,935,000
Unamortized bond premiums	487,280	467,281	(104,971)	849,590	146,905
Compensated absences	295,703	48,285	(337)	343,651	120,278
Net OPEB liability	147,672,352	53,037,346	(51,329,877)	149,379,821	-
Net pension liability	20,049,198	41,445,346	(14,223,278)	47,271,266	-
Total Governmental Activities	\$ 188,549,533	\$ 99,823,258	\$ (68,923,463)	\$ 219,449,328	\$ 3,202,183
<i>Business-Type Activities - Sewer:</i>					
General obligation bonds	\$ 7,780,000	\$ 920,000	\$ (935,000)	\$ 7,765,000	\$ 840,000
Direct borrowings and placements	21,510,753	-	(1,249,935)	20,260,818	1,235,952
Unamortized bond premiums	169,771	92,706	(19,923)	242,554	27,932
Compensated absences	4,084	3,404	-	7,488	2,621
Net OPEB liability (asset)	(608,643)	-	(299,105)	(907,748)	-
Net pension liability	1,019,668	2,141,628	(757,159)	2,404,137	-
Total Sewer	29,875,633	3,157,738	(3,261,122)	29,772,249	2,106,505
<i>Business-Type Activities - Water:</i>					
General obligation bonds	8,375,000	1,415,000	(865,000)	8,925,000	970,000
Unamortized bond premiums	69,778	122,542	(10,275)	182,045	25,718
Compensated absences	12,262	-	(553)	11,709	4,098
Net OPEB liability	1,326,992	482,522	(773,581)	1,035,933	-
Net pension liability	708,888	1,531,037	(568,535)	1,671,390	-
Total Water	10,492,920	3,551,101	(2,217,944)	11,826,077	999,816
<i>Business-Type Activities - Solid Waste:</i>					
General obligation bonds	100,000	-	(100,000)	-	-
Post-closure landfill monitoring	1,461,000	-	(92,500)	1,368,500	92,500
Compensated absences	935	3,790	-	4,725	1,654
Net OPEB liability	176,645	72,747	(219,610)	29,782	-
Net pension liability	264,549	552,273	(193,079)	623,743	-
Total Solid Waste	2,003,129	628,810	(605,189)	2,026,750	94,154
<i>Business-Type Activities - Electric Light:</i>					
General obligation bonds	120,000	-	(60,000)	60,000	60,000
Customer deposits	1,110,129	110,823	-	1,220,952	-
Customer advances for construction	103,898	25,751	-	129,649	-
Compensated absences	445,300	-	(13,732)	431,568	334,168
Net OPEB liability (asset)	(1,405,122)	3,294,775	(601,647)	1,288,006	-
Net pension liability	3,314,850	4,981,424	(5,060,047)	3,236,227	-
Total Electric Light	3,689,055	8,412,773	(5,735,426)	6,366,402	394,168
Total Business-Type Activities	\$ 46,060,737	\$ 15,750,422	\$ (11,819,681)	\$ 49,991,478	\$ 3,594,643

The governmental activities liabilities will be liquidated by the general fund. The business-type liabilities will be liquidated by the respective enterprise funds.

General obligation bonds and notes payable outstanding at June 30, 2023 (December 31, 2022 for the Electric Department) were as follows:

Description of Issue	Interest Rates	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental Activities:</i>					
General obligation bonds	1.00 - 5.00%	\$ 20,045,000	\$ 4,825,000	\$ (3,265,000)	\$ 21,605,000
<i>Business-Type Activities - Sewer:</i>					
General obligation bonds	2.00 - 5.00%	\$ 7,780,000	\$ 920,000	\$ (935,000)	\$ 7,765,000
MCWT notes	2.00%	21,510,753	-	(1,249,935)	20,260,818
Total Sewer		29,290,753	920,000	(2,184,935)	28,025,818
<i>Business-Type Activities - Water:</i>					
General obligation bonds	2.00 - 5.00%	8,375,000	1,415,000	(865,000)	8,925,000
<i>Business-Type Activities - Solid Waste:</i>					
General obligation bonds	2.50 - 5.00%	100,000	-	(100,000)	-
<i>Business-Type Activities - Electric Light:</i>					
General obligation bonds	2.50 - 5.00%	120,000	-	(60,000)	60,000
Total Business-Type Activities		\$ 37,885,753	\$ 2,335,000	\$ (3,209,935)	\$ 37,010,818

Debt service requirements on long-term debt at June 30, 2023 are as follows:

Year Ending June 30,	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2024	\$ 2,935,000	\$ 822,558
2025	2,620,000	704,974
2026	2,465,000	595,169
2027	2,245,000	489,024
2028	1,735,000	394,468
2029 - 2033	6,215,000	1,176,143
2034 - 2038	2,525,000	371,167
2039 - 2043	865,000	80,412
Total	\$ 21,605,000	\$ 4,633,915

Business-Type Activities: Combined

Year Ending June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2024	\$ 1,870,000	\$ 587,351	\$ 1,235,952	\$ 275,188
2025	1,775,000	525,232	1,169,014	255,715
2026	1,705,000	470,216	1,097,452	239,602
2027	1,450,000	418,580	978,214	224,474
2028	1,265,000	372,460	937,287	210,910
2029 - 2033	4,465,000	1,390,685	4,486,389	864,447
2034 - 2038	2,950,000	779,774	4,625,027	546,336
2039 - 2043	1,270,000	238,805	5,002,626	192,230
2044 - 2045	-	-	728,857	-
	<u>\$ 16,750,000</u>	<u>\$ 4,783,103</u>	<u>\$ 20,260,818</u>	<u>\$ 2,808,902</u>

Business-Type Activities: Sewer

Year Ending June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2024	\$ 840,000	\$ 275,188	\$ 1,235,952	\$ 275,188
2025	820,000	255,715	1,169,014	255,715
2026	815,000	239,602	1,097,452	239,602
2027	610,000	224,474	978,214	224,474
2028	530,000	210,910	937,287	210,910
2029 - 2033	2,095,000	864,447	4,486,389	864,447
2034 - 2038	1,400,000	546,336	4,625,027	546,336
2039 - 2043	655,000	192,230	5,002,626	192,230
2044 - 2045	-	-	728,857	-
	<u>\$ 7,765,000</u>	<u>\$ 2,808,902</u>	<u>\$ 20,260,818</u>	<u>\$ 2,808,902</u>

Business-Type Activities: Water

Year Ending June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2024	\$ 970,000	\$ 309,163	\$ -	\$ -
2025	955,000	269,517	-	-
2026	890,000	230,614	-	-
2027	840,000	194,106	-	-
2028	735,000	161,550	-	-
2029 - 2033	2,370,000	526,238	-	-
2034 - 2038	1,550,000	233,438	-	-
2039 - 2043	615,000	46,575	-	-
	<u>\$ 8,925,000</u>	<u>\$ 1,971,201</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

Year Ending December 31,	Business-Type Activities: Electric Light			
	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2023	\$ 60,000	\$ 3,000	\$ -	\$ -

(concluded)

Authorized and unissued debt at June 30, 2023 included:

Project	Amount
McKeon plant PFAS removal (water)	\$ 10,000,000
Sewer related items	2,675,000
Other water related items	2,653,810
High School outdoor athletics complex	2,500,000
Amvet Boulevard School roof replacement	2,400,000
Library refurbishment	2,100,000
Roads, sidewalks and bridges	1,000,000
Town wide telephone systems	500,000
Public works vehicle	350,000
	<u>\$ 24,178,810</u>

H. Tax Abatements Related to Economic Incentives

The Town enters into tax increment financing, or TIF, agreements with local businesses as an incentive for economic growth. While these TIF agreements are deemed property tax abatements under GAAP for the purposes of these basic financial statements, no property taxes are abated under a TIF agreement. Rather, the tax liability resulting from the new growth created by the required investment under a TIF agreement is phased in over a number of years. The tax liability for the existing assessed value of the property at the time the TIF agreement is executed is unchanged and continues to be paid throughout the term of the TIF agreement. In addition to a required investment in the property, the TIF agreement also requires retention of existing jobs as well as the creation of new jobs. Pursuant to MGL, property owners may be granted property tax exemptions ranging from 100% to 5% of the assessed value of the incremental investment for a maximum term of twenty years.

The Town has three TIF agreements in place at June 30, 2023 and its most significant will not have any abatements until fiscal year 2025. The value of the property tax abatements related to the two TIF agreements in effect during fiscal year 2023 was approximately \$24,000.

I. Fund Balances

The components of fund balances as listed in aggregate in the governmental funds balance sheet at June 30, 2023 are as follows:

	General Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Nonexpendable permanent funds	\$ -	\$ -	\$ 2,489,186	\$ 2,489,186
Inventory	34,969	-	-	34,969
Restricted:				
Expendable permanent funds	-	-	528,987	528,987
General government	-	2,705,153	545,764	3,250,917
Public safety	-	5,300,298	3,632,125	8,932,423
Education	-	6,964,537	5,587,828	12,552,365
Public works	-	2,105,286	276,487	2,381,773
Health and human services	-	-	720,196	720,196
Culture and recreation	-	2,207,549	424,330	2,631,879
Assigned:				
General government	119,386	-	-	119,386
Public safety	150,648	-	-	150,648
Education	111,225	-	-	111,225
Other purposes	34,514	-	-	34,514
Subsequent year's articles/budget	2,581,106	-	-	2,581,106
Unassigned:				
Unrestricted	7,505,987	-	(260,622)	7,245,365
General stabilization	7,278,968	-	-	7,278,968
Capital stabilization	922,904	-	-	922,904
Betterment stabilization	35,511	-	-	35,511
	<u>\$ 18,775,218</u>	<u>\$ 19,282,823</u>	<u>\$ 13,944,281</u>	<u>\$ 52,002,322</u>

The ARPA grant fund is not presented above as it did not maintain a fund balance at year end.

Stabilization Funds – The Town maintains three stabilization funds – general, capital and betterment stabilization funds. Each stabilization fund requires a two-thirds vote from the Town Council to release these reserved funds. The Town reports each of these stabilization funds as components of unassigned fund balance in the general fund.

Encumbrances – The Town’s encumbrance policy regarding the general fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the Town Controller as assigned, and (2) classify encumbrances that result from an action of the Town Council as committed. Encumbrances of funds already restricted or committed are included within the classification of those fund balances and not reported separately. The Town reports \$891,123 of encumbrances from normal purchasing activity in the general fund as assigned. There are no encumbrances reported in any other fund.

J. Excess of Expenditures Over Appropriations and Deficits

During the fiscal year ended June 30, 2023, the Town did not report any expenditures in excess of appropriation.

At June 30, 2023, the Town reported \$260,622 in deficits in a number of state and federal grant funds, which it expects to cure through the receipt of future awards.

III. Other Information

A. Retirement System

Pension Plan Description – The Town contributes to the Retirement System, a cost-sharing multiple-employer defined benefit pension plan for the Town, Electric Department and Housing Authority. The Retirement System was established under Chapter 32 of MGL. The Retirement System is administered by a retirement board and is part of the reporting entity. Stand-alone financial statements for the year ended December 31, 2022 were issued and are available by submitting a request to the Retirement System at 500 East Washington Street, North Attleborough, Massachusetts 02760.

Membership in the Retirement System consisted of the following at December 31, 2022:

Active members	544
Inactive members entitled to, but not receiving benefits	285
Retirees and beneficiaries currently receiving benefits	<u>355</u>
	<u>1,184</u>

Benefit Terms – Membership in the Retirement System is mandatory for all full-time employees and nonseasonal, part-time employees who, in general, regularly work more than twenty hours per week. Teachers and certain administrative personnel employed by the school district participate in a separate pension plan administered by the Massachusetts Teachers' Retirement System, which is the legal responsibility of the Commonwealth of Massachusetts. Members of the Retirement System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform throughout the Commonwealth. The Retirement System provides for retirement allowance benefits up to a maximum of 80% of a participant's highest three-year or five-year average annual rate of regular compensation, depending on the participant's date of hire. Benefit payments are based upon a participant's age, length of creditable service, level of compensation and job classification.

The most common benefits paid by the Retirement System include normal retirement, disability retirement and survivor benefits.

- Normal retirement generally occurs at age 65. However, participants may retire after twenty years of service or at any time after attaining age 55, if hired prior to April 2, 2012 or at any time after attaining age 60 if hired on or after April 2, 2012. Participants with hire dates subsequent to January 1, 1978 must have a minimum of ten years' creditable service in order to retire at age 55. Participants become vested after ten years of creditable service.

Benefits commencing before age 65 are provided at a reduced rate. Members working in certain occupations may retire with full benefits earlier than age 65.

- Ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. Accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of duty. The number of benefits to be received in such cases is dependent upon several factors, including the age at which the disability retirement occurs, the years of creditable service, average compensation and veteran status.
- Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

Cost-of-living adjustments granted to members of Massachusetts retirement systems granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth during those years have been the financial responsibility of the Commonwealth. Beginning in 1998, the funding of cost-of-living amounts became the responsibility of the participating units like the Retirement System.

Contributions Requirements – Under current MGL participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method. The Retirement System is required to be fully funded by June 30, 2040.

The Town and Electric Department contributed \$4,650,686 to the Retirement System in fiscal year 2023, which equaled its actuarially-determined contribution requirement for the fiscal year. Contributions as a percentage of covered payroll was approximately 17% in fiscal year 2023.

Net Pension Liability – At June 30, 2023, the Town reported a liability of \$55,206,763 for its proportionate share of the net pension liability. The net pension liability reported by the Retirement System for the Town at December 31, 2022 (used for fiscal year-end June 30, 2023) is \$59,600,794. The difference between these two figures is attributable to the difference in fiscal year ends between the Town and the Electric Department, which results in a one-year lag.

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 and rolled forward to December 31, 2022, the measurement date. There were no material changes to the Retirement System's benefit terms since the last actuarial valuation. There were no significant changes to actuarial assumptions used in the latest actuarial valuation report.

The Town's proportion of the net pension liability is based on a projection of the Town's long-term share of contributions to the Retirement System relative to the projected contributions of all employers. The Town and Electric Department's proportion was approximately 98.4% at December 31, 2022, which was consistent with its proportionate share at December 31, 2021.

Fiduciary Net Position – The elements of the Retirement System's basic financial statements (that is, all information about the Retirement System's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position) can be found in the Retirement System's full financial statements as of and for the year ended December 31, 2022, which can be obtained by contacting the Retirement Board.

Actuarial Valuation – The measurement of the Retirement System’s total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2022 and rolled forward to December 31, 2022. The significant actuarial assumptions used in this actuarial valuation included:

Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Investment rate of return	7.0% per annum
Projected salary increases	3.5% per annum
Cost of living adjustments	3% on the first \$14,000 of benefits
Group 1 and 2 mortality rates	Healthy: Pub-2010 General Employee, Healthy Retiree and Contingent Survivor Amount-Weighted Mortality Tables projected generationally using Scale MP-2021 Disabled: Pub-2010 General Disabled Retiree Amount-Weighted Mortality Tables projected generationally using Scale MP-2021
Group 4 mortality rates	Healthy: Pub-2010 Safety Employee, Healthy Retiree and Contingent Survivor Amount-Weighted Mortality Tables projected generationally using Scale MP-2021 Disabled: Pub-2010 General Disabled Retiree Amount-Weighted Mortality Table projected generationally using Scale MP-2021

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 rates of returns (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 rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the Retirement System’s target allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Policy Range	Long-Term Expected Rate of Return
Large cap equity	30.0%	4.91%
Mid cap equity	10.0%	5.29%
Small cap equity	10.0%	5.29%
International equity - developed markets	11.0%	5.62%
International equity - emerging markets	4.0%	6.13%
Real assets	15.0%	3.79%
Fixed income	20.0%	2.30%

Discount Rate – The discount rate used to measure the total pension liability was 7.0%, which was unchanged from the prior year. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made in accordance with MGL. Based on those assumptions, the Retirement System’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 Analysis – The following presents the Town’s proportionate share of the net pension liability (inclusive of the Electric Department) calculated using the current discount rate as well as the Town’s proportionate share of the net pension liability using a discount rate that is 1% lower or higher than the current rate:

Current Discount Rate	Net Pension Liability At		
	1% Decrease	Current Rate	1% Increase
7.00%	\$ 78,733,429	\$ 55,206,763	\$ 35,583,899

B. Massachusetts Teachers Retirement System

Teachers and certain administrative employees of the Town’s school department participate in the Massachusetts Teachers’ Retirement System (“MTRS”), a cost-sharing, multiple employer defined benefit pension plan. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Like the Retirement System, MTRS was established under Chapter 32 of MGL. The Commonwealth’s legislature has the authority to amend or modify the MTRS’s funding policies.

The Commonwealth is a nonemployer contributor to the MTRS and is legally responsible by statute for all actuarially determined employer contributions and future benefit requirements of the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GAAP.

For the year ended June 30, 2022 (the latest period for which MTRS has provided financial data), the Commonwealth contributed \$7,961,566 to the MTRS on behalf of the Town. The Town’s proportionate share of the collective MTRS net pension liability at this reporting date was approximately 0.378%, which was based on the actual, actuarially determined contribution made by the Commonwealth on behalf of the Town as a percentage of the total annual contribution made by the Commonwealth on behalf of all employers.

The net pension liability assumed by the Commonwealth on behalf of the Town was \$97,932,964 at June 30, 2022 (the latest period for which MTRS has provided financial data). The pension expense assumed by the Commonwealth on behalf of the Town was \$8,055,942 for the year ended June 30, 2022 (the latest period for which MTRS has provided financial data). This amount has been recognized by the Town as intergovernmental revenue and pension expense for the year ended June 30, 2023.

Additional information on MTRS can be found on its website.

C. Other Postemployment Benefits

In addition to the pension benefits previously described, the Town provides health and life insurance benefits (other postemployment benefits, or OPEB) to current and future retirees, their dependents and beneficiaries in accordance with Section 20 of Chapter 32B of MGL (hereinafter referred to as the “OPEB Plans”).

The Town and Electric Department operate separate OPEB Plans, while all benefits are provided through the Town’s insurance program. Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and Town ordinance. Neither OPEB Plan issues stand-alone financial reports since there are no assets legally segregated for the sole purpose of paying benefits under the OPEB Plans.

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of June 30, 2023 (December 31, 2022 in the case of the Electric Department):

	Town	Electric Department
Inactive employees or beneficiaries receiving benefits	793	38
Active employees	880	36
	<u>1,673</u>	<u>74</u>

Contributions – The contribution requirements of OPEB Plan members and the Town are established by and may be amended by the Town. Town retirees, excluding teachers, contribute between 17% and 25% of monthly health insurance premiums. Retired teachers contribute between 10% and 15% of monthly health insurance premiums. Employees of the Electric Department contribute 25% of monthly health insurance premiums. Retired Electric Department employees aged over 65 years contribute 12% of monthly health insurance premiums and 33% of the monthly health insurance premium when aged under 65 years. All retirees contribute 25% of life insurance premiums.

For the year ended June 30, 2023, the Town’s average contribution rate was approximately 11% of covered payroll.

Net OPEB Liability – The Town’s net OPEB liability was measured as of June 30, 2023 using an actuarial valuation as of July 1, 2021. The Electric Department’s net OPEB liability was measured as of December 31, 2022 using an actuarial valuation as of January 1, 2022. The components of the net OPEB liability reported by the Town at June 30, 2023 and Electric Department at December 31, 2022 were as follows:

	Town	Electric Department
Total OPEB liability	\$ 156,188,003	\$ 7,589,769
Plan fiduciary net position	<u>(6,650,215)</u>	<u>(6,301,763)</u>
Net OPEB liability	<u>\$ 149,537,788</u>	<u>\$ 1,288,006</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.3%	83.0%

The total OPEB liabilities for the separate OPEB Plans was determined using the following key actuarial assumptions in the most recent actuarial valuations applied to all periods included in the measurement, unless otherwise specified:

	<u>Town</u>
Valuation date	July 1, 2021
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value at June 30, 2023
Inflation	2.5% per annum
Single equivalent discount	5.92%, net of OPEB Plan investment expense (previously 5.74%)
Healthcare cost trend	9.0% for fiscal year 2022, grading down to an ultimate trend rate of 3.63% in fiscal year 2060
Pre-retirement mortality	RP-2014 Mortality Table for Blue Collar Employees (White Collar Mortality Table for teachers) projected generationally with scale MP-2016, set forward 1 year for females (for non-teachers only)
Post-retirement mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants (White Collar Mortality Table for teachers) projected generationally with scale MP-2016, set forward 1 year for females (for non-teachers only)
Disabled mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants (White Collar Mortality Table for teachers) projected generationally with scale MP-2016, set forward 1 year for females (for non-teachers only)
	<u>Electric Department</u>
Valuation date	January 1, 2022
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value at December 31, 2022
Inflation	2.5% per annum
Single equivalent discount	5.47%, net of OPEB Plan investment expense (previously 5.75%)
Healthcare cost trend	4.5% per annum
Pre-retirement mortality	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016, set forward 1 year for females
Post-retirement mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016, set forward 1 year for females
Disabled mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016, set forward 1 year for females

Long-Term Expected Rate of Return – The long-term expected rates of return on the OPEB Plans’ investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table:

Asset Class	Town Plan		Electric Department Plan	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity - large cap	26.50%	4.10%	38.50%	4.42%
Domestic equity - small/mid cap	15.50%	4.55%	19.50%	4.81%
International equity - developed markets	13.75%	4.64%	2.50%	4.91%
International equity - emerging markets	8.50%	5.45%	1.25%	5.58%
Domestic fixed income	17.50%	1.05%	24.50%	1.00%
International fixed income	3.50%	0.96%	12.25%	1.04%
Alternatives	11.00%	5.95%	0.25%	5.98%
Real estate	3.50%	6.25%	0.00%	6.25%
Cash and cash equivalents	<u>0.25%</u>	<u>0.00%</u>	<u>1.25%</u>	<u>0.00%</u>
	<u>100.00%</u>		<u>100.00%</u>	
Real rate of return		3.98%		3.22%
Inflation assumption		<u>2.50%</u>		<u>2.50%</u>
Total nominal rate of return		6.48%		5.72%
Investment expense		<u>0.25%</u>		<u>0.25%</u>
Net investment return		<u>6.23%</u>		<u>5.47%</u>

Town Discount Rate – The discount rate used to measure the Town’s total OPEB liability was 5.92% (previously 5.74%). The discount rate reflects a blend of the expected net investment return for funded periods (6.23%) and the twenty-year municipal bond index rate of return of 4.13% for unfunded periods (beginning fiscal year 2072).

Electric Department Discount Rate – The discount rate used to measure the total OPEB liability was 5.47% at December 31, 2022 (previously 5.75%), which was consistent with its assumed net investment return. 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.

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2023 (the Electric Department’s activity is for the year ended December 31, 2022):

	Town OPEB Plan		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	<i>(a)</i>	<i>(b)</i>	<i>(a) - (b)</i>
Balances — beginning of year	\$ 153,808,252	\$ 5,240,906	\$ 148,567,346
Changes for the year:			
Service cost	3,183,441	-	3,183,441
Interest	8,840,561	-	8,840,561
Changes in assumptions	(3,610,143)	-	(3,610,143)
Employer contributions	-	6,918,392	(6,918,392)
Net investment income	-	525,025	(525,025)
Benefit payments	(6,034,108)	(6,034,108)	-
Net changes	<u>2,379,751</u>	<u>1,409,309</u>	<u>970,442</u>
Balances — end of year	<u>\$ 156,188,003</u>	<u>\$ 6,650,215</u>	<u>\$ 149,537,788</u>
	Electric Department OPEB Plan		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset)
	<i>(a)</i>	<i>(b)</i>	<i>(a) - (b)</i>
Balances — beginning of year	\$ 6,146,143	\$ 7,551,265	\$ (1,405,122)
Changes for the year:			
Service cost	142,235	-	142,235
Interest	354,780	-	354,780
Changes in assumptions	1,303,297	-	1,303,297
Experience differences	(116,742)	-	(116,742)
Employer contributions	-	239,944	(239,944)
Net investment loss	-	(1,249,502)	1,249,502
Benefit payments	(239,944)	(239,944)	-
Net changes	<u>1,443,626</u>	<u>(1,249,502)</u>	<u>2,693,128</u>
Balances — end of year	<u>\$ 7,589,769</u>	<u>\$ 6,301,763</u>	<u>\$ 1,288,006</u>

Sensitivity Analyses – The following presents the Town’s and Electric Department’s net OPEB liability as well as what the Town’s and Electric Department’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate:

	Current Discount Rate	Net OPEB Liability At		
		1% Decrease	Current Rate	1% Increase
Town of North Attleborough	5.92%	\$ 172,588,334	\$ 149,537,788	\$ 130,967,179
Electric Department	5.47%	2,523,245	1,288,006	304,229

The following presents the Town’s and Electric Department’s net OPEB liability as well as what the Town’s and Electric Department’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or higher than the current healthcare cost trend rates:

	Current Trend Rate	Net OPEB Liability At		
		1% Decrease	Current Rate	1% Increase
Town of North Attleborough	9.00%	\$ 129,056,626	\$ 149,537,788	\$ 175,250,129
Electric Department	4.50%	192,425	1,288,006	2,691,358

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2023 (the Electric Department’s activity is for the year ended December 31, 2022), the Town recognized OPEB expense of approximately \$15.4 million and the Electric Department recognized OPEB expense of approximately \$426,000. Combined deferred outflows and inflows of resources related to OPEB at June 30, 2023 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,422	\$ 17,277,973
Changes of assumptions	16,522,150	3,258,571
Net difference between projected and actual earnings on OPEB plan investments	1,526,472	-
	<u>\$ 18,069,044</u>	<u>\$ 20,536,544</u>

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

<u>Year ended June 30,</u>	
2024	\$ 1,302,041
2025	611,856
2026	(714,382)
2027	(3,100,837)
2028	(566,178)
	<u>\$ (2,467,500)</u>

Investment Policy – The Town adopted an investment policy for its OPEB Plan in April 2014 (subsequently updated in September 2023), while the Electric Department’s investment policy was adopted in April 2017. Both investment policies seek to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct investment asset classes.

Investment Rate of Return – The annual money-weighted rate of return on investments expresses investment performance, net of investment expense, adjusted for changing amounts actually invested. The money-weighted rates of return for the two OPEB Plans as reported at the end of this fiscal year were as follows:

	Town	Electric Department
Money-weighted rate of return	8.68%	-16.55%

D. Pension and Other Employee Benefit Trust Funds

The Town reports pension and other postemployment benefits trusts funds in a single column in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position in the fiduciary funds. Neither the Town’s nor the Electric Department’s OPEB Plan issue stand-alone financial statements.

The Statement of Fiduciary Net Position of the Town’s pension and other employee benefit trusts funds at June 30, 2023 was comprised as follows:

	North Attleborough Contributory Retirement (1)	Town OPEB Trust	Electric Light OPEB Trust (1)	Pension and Other Employee Benefit Trust Funds
	(a)	(b)	(c)	(a) + (b) + (c)
Assets:				
Cash and cash equivalents	\$ 3,158,720	\$ 18,155	\$ 9,333	\$ 3,186,208
Investments at fair value:				
Fixed income securities	-	-	2,298,556	2,298,556
Equity securities	29,998,084	754,630	-	30,752,714
Mutual funds	84,676,565	5,877,430	3,993,874	94,547,869
Other investments	22,772,850	-	-	22,772,850
Receivables	4,356	-	-	4,356
Total Assets	140,610,575	6,650,215	6,301,763	153,562,553
Liabilities:				
Warrants and accounts payable	913,959	-	-	913,959
Total Liabilities	913,959	-	-	913,959
Net Position:				
Restricted for pensions	139,696,616	-	-	139,696,616
Restricted for other postemployment benefits	-	6,650,215	6,301,763	12,951,978
Total Net Position	\$ 139,696,616	\$ 6,650,215	\$ 6,301,763	\$ 152,648,594

(1) As of December 31, 2022.

The Statement of Changes in Fiduciary Net Position of the Town's pension and other employee benefit trusts funds as of and for the year ended June 30, 2023 was comprised as follows:

	North Attleborough Contributory Retirement (1)	Town OPEB Trust	Electric Light OPEB Trust (1)	Pension and Other Employee Benefit Trust Funds (a)
	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(a) + (b) + (c)</i>
Additions:				
Employer contributions	\$ 4,650,686	\$ 6,918,392	\$ -	\$ 11,569,078
Employee contributions	2,879,725	-	239,944	3,119,669
Other contributions	556,949	-	-	556,949
Total contributions	<u>8,087,360</u>	<u>6,918,392</u>	<u>239,944</u>	<u>15,245,696</u>
Investment income:				
Interest and dividends	2,049,033	250,664	273,399	2,573,096
Net change in fair value of investments	(26,890,908)	293,195	(1,466,493)	(28,064,206)
Less investment management fees	(936,474)	(18,834)	(56,408)	(1,011,716)
Total net investment income	<u>(25,778,349)</u>	<u>525,025</u>	<u>(1,249,502)</u>	<u>(26,502,826)</u>
Other income	6,812	-	-	6,812
Total Additions	<u>(17,684,177)</u>	<u>7,443,417</u>	<u>(1,009,558)</u>	<u>(11,250,318)</u>
Deductions:				
Benefits and refunds to Plan members:				
Benefits to retirees and survivors	10,068,482	6,034,108	239,944	16,342,534
Member refunds	208,813	-	-	208,813
Transfers and reimbursements to other systems	833,144	-	-	833,144
Administrative expenses:				
Operations payroll and related personnel costs	132,320	-	-	132,320
Other administrative expenses	108,107	-	-	108,107
Total Deductions	<u>11,350,866</u>	<u>6,034,108</u>	<u>239,944</u>	<u>17,624,918</u>
Change in Net Position	<u>(29,035,043)</u>	<u>1,409,309</u>	<u>(1,249,502)</u>	<u>(28,875,236)</u>
Net Position:				
Beginning of the year	168,731,659	5,240,906	7,551,265	181,523,830
End of the year	<u>\$ 139,696,616</u>	<u>\$ 6,650,215</u>	<u>\$ 6,301,763</u>	<u>\$ 152,648,594</u>

(1) As of and for the year ended December 31, 2022.

E. Risk Financing

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

The Electric Department has a program to self-insure for general liability claims. The Electric Department is responsible for the payment of the first \$500,000 for each claim incurred. Claims that exceed this amount are covered by reinsurance, which is an excess liability policy with a limit of \$25 million per occurrence. No accrual has been made in the accompanying financial statements as no significant claims have been submitted.

F. Commitments and Contingencies

General – The Town is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability at June 30, 2023 cannot be determined, management believes that the resulting liability, if any, should not materially affect the basic financial statements of the Town at June 30, 2023.

Appellate Tax Board – The Town has pending cases filed with the Massachusetts Appellate Tax Board of the Commonwealth of Massachusetts (“ATB”). In total, the assessed property values for ATB cases totaled nearly \$85.6 million at June 30, 2023, all of which pertained to commercial real estate. A \$200,000 provision has been made in the general fund in the event that the Town is unsuccessful in ATB.

Grant Compliance – Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The Town expects such amounts, if any, to be immaterial.

Arbitrage – The Town is subject to certain Federal arbitrage laws in accordance with long-term borrowing agreements. Failure to comply with the rules could result in the payment of penalties. The Town does not believe it has failed to comply with any of these agreements.

MMWEC Participation – The Electric Department is a participant and contingently liable in certain projects of the MMWEC.

MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts, created as a means to develop a bulk power supply for its Members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance electric facilities (“Projects”). MMWEC has acquired ownership interests in electric facilities operated by other utilities and also owns and operates its own electric facilities. MMWEC operates the Stony Brook Intermediate Project and the Stony Brook Peaking Project, both fossil-fueled power plants. MMWEC has the Nuclear Mix No 1 Project, Nuclear Project Three, Nuclear Project Four, Nuclear Project Five and Project Six, which comprise an 11.6% ownership interest in the Seabrook Station nuclear generating unit operated by NextEra Energy Seabrook, LLC and a 4.8% ownership interest in the Millstone Unit 3 nuclear unit, operated by Dominion Nuclear Connecticut, Inc. The operating license for Seabrook Station extends to March 15, 2050. The operating license for the Millstone Unit 3 nuclear unit extends to November 25, 2045.

MMWEC sells all of the capability (“Project Capability”) of each of its Projects to its Members and other utilities (“Project Participants”) under Power Sales Agreements (“PSAs”). The Electric Department has entered into PSAs with MMWEC. Under the PSAs the Department is required to make certain payments to MMWEC payable solely from the Municipal Light Department revenues. Among other things, the PSAs require each Project Participant to pay its pro rata share of MMWEC’s costs related to the Project, which costs include debt service on the revenue bonds issued by MMWEC to finance the Project. In addition, should a Project Participant fail to make any payment when due, other Project Participants of that Project may be required to increase (step-up) their payments and correspondingly their Participant’s share of the Project’s Project Capability. Project Participants have covenanted to fix, revise, and collect rates at least sufficient to meet their obligations under the PSAs. Each Participant is unconditionally obligated to make

payments due to MMWEC whether or not the Project(s) is completed or operating and notwithstanding the suspension or interruption of the output of the Project(s).

Pursuant to the PSAs, the MMWEC Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which costs are being funded through monthly Project billings. Also, the Millstone and Seabrook Project Participants are liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act (the “Act”). Originally enacted in 1957, the Act has been renewed several times. In July 2005, as part of the Energy Policy Act of 2005, Congress extended the Act until the end of 2025.

MMWEC is involved in various legal actions. In the opinion of MMWEC management, the outcome of such litigation or claims will not have a material adverse effect on the financial position of the MMWEC.

G. Transactions Between Town and Electric Department

The Electric Department provides electrical service to the Town for all schools, municipal buildings and street lighting at average rates per kilowatt-hour, which approximates those billed to other customers. Electric Department revenues from Town billings were approximately \$1.8 million in calendar year 2022. Included in the accompanying statements of net position of the Electric Department are amounts due from the Town of approximately \$107,000 at December 31, 2022.

The Town provides police details, insurance coverage and other items to the Electric Department. These expenses amounted to approximately \$1.9 million in calendar year 2022.

At December 31, 2022, the Electric Department owed the Town approximately \$69,800, which is included in accounts payable and accrued expenses in its statement of net position.

The Electric Department also made payments in lieu of property taxes to the Town in the amounts of \$381,553 during calendar year 2022 as well as \$14,100 to the Town to assist in the installation of electric vehicle charging stations.

H. Economic Dependence

During the year ended June 30, 2023, approximately 30% of total general fund revenues were recognized from the Commonwealth or other governmental agencies.

IV. Implementation of Accounting Pronouncements

A. Current Year Implementations

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement was to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement became effective in fiscal year 2023. The adoption of this accounting standard did not have a material effect on the Town's financial statements.

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement was to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The provisions of this Statement became effective in fiscal year 2023. The adoption of this accounting standard did not have a material effect on the Town's financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement was to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement became effective in fiscal year 2023. The adoption of this accounting standard did not have a material effect on the Town's financial statements.

B. Future Year Implementations

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2023 (fiscal year 2024). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2023 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In December 2023, the GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2024 (fiscal year 2025). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
TOWN PENSION PLAN**

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(dollar amounts are in thousands)

Year Ended June 30,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	98.4%	\$ 59,601	\$ 26,799	222.4%	69.8%
2022	98.4%	25,357	26,081	97.2%	86.8%
2021	98.6%	29,486	26,417	111.6%	84.1%
2020	98.4%	38,084	25,657	148.4%	77.4%
2019	98.6%	41,181	24,799	166.1%	72.7%
2018	98.4%	13,464	23,444	57.4%	89.5%
2017	98.5%	23,074	22,581	102.2%	81.3%
2016	98.5%	24,075	22,374	107.6%	79.7%
2015	98.0%	19,200	22,243	86.3%	82.9%

SCHEDULE OF THE TOWN'S CONTRIBUTIONS TO THE PENSION PLAN
(dollar amounts are in thousands)

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 4,577	\$ 4,577	\$ -	\$ 26,799	17.1%
2022	4,334	4,334	-	26,081	16.6%
2021	4,114	4,114	-	26,417	15.6%
2020	3,898	3,898	-	25,657	15.2%
2019	3,788	3,788	-	24,799	15.3%
2018	3,746	3,746	-	23,443	16.0%
2017	3,614	3,614	-	22,581	16.0%
2016	1,900	1,900	-	22,374	8.5%
2015	1,791	1,791	-	22,243	8.1%

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
MASSACHUSETTS TEACHERS RETIREMENT SYSTEM PENSION PLAN

**SCHEDULE OF THE COMMONWEALTH'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY**
(dollar amounts are in thousands)

For the Year Ended June 30, *	Commonwealth's Proportion of the MTRS Net Pension Liability	Town's Proportion of the MTRS Net Pension Liability	Commonwealth's Proportionate Share of the MTRS Net Pension Liability	Commonwealth's Actuarially Determined Contribution	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	100%	0%	\$ 97,933	\$ 7,962	57.8%
2022	100%	0%	79,438	6,117	62.0%
2021	100%	0%	119,514	6,504	50.7%
2020	100%	0%	98,418	5,635	53.9%
2019	100%	0%	92,872	5,150	54.8%
2018	100%	0%	89,058	4,808	54.3%
2017	100%	0%	91,875	4,621	52.7%
2016	100%	0%	87,281	8,264	55.4%

* Amounts determined for the previous year ended June 30.

Contributions to the MTRS are the responsibility of the Commonwealth of Massachusetts. Accordingly, the Town has not recognized any portion of the net pension liability relative to Town employees covered under the MTRS pension plan.

These schedules are presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
TOWN OTHER POSTEMPLOYMENT BENEFITS PLAN**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

(dollar amounts are in thousands)

	Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service cost	\$ 3,183	\$ 4,391	\$ 3,473	\$ 3,297	\$ 3,566	\$ 2,614	\$ 2,886
Interest	8,841	7,990	8,017	6,675	6,719	6,207	6,393
Changes in benefit terms	-	-	-	-	-	(2,518)	-
Experience differences	-	(25,674)	-	(540)	-	5,539	-
Changes in assumptions	(3,610)	6,362	15,928	8,101	16,199	(223)	-
Benefit payments	(6,034)	(6,104)	(5,671)	(5,214)	(4,192)	(3,868)	(3,948)
Net Change in Total OPEB Liability	<u>2,380</u>	<u>(13,035)</u>	<u>21,747</u>	<u>12,319</u>	<u>22,292</u>	<u>7,751</u>	<u>5,331</u>
Total OPEB Liability:							
Beginning of year	<u>153,808</u>	<u>166,843</u>	<u>145,096</u>	<u>132,777</u>	<u>110,485</u>	<u>102,734</u>	<u>97,403</u>
End of year (a)	<u>\$ 156,188</u>	<u>\$ 153,808</u>	<u>\$ 166,843</u>	<u>\$ 145,096</u>	<u>\$ 132,777</u>	<u>\$ 110,485</u>	<u>\$ 102,734</u>
Plan Fiduciary Net Position:							
Contributions	\$ 6,918	\$ 6,899	\$ 6,435	\$ 5,968	\$ 4,791	\$ 4,394	\$ 4,381
Net investment income (loss)	525	(811)	951	63	150	114	98
Benefit payments	(6,034)	(6,104)	(5,671)	(5,214)	(4,192)	(3,868)	(3,947)
Net Change in Plan Fiduciary Net Position	<u>1,409</u>	<u>(16)</u>	<u>1,715</u>	<u>817</u>	<u>749</u>	<u>640</u>	<u>532</u>
Plan Fiduciary Net Position:							
Beginning of year	<u>5,241</u>	<u>5,257</u>	<u>3,542</u>	<u>2,725</u>	<u>1,976</u>	<u>1,336</u>	<u>804</u>
End of year (b)	<u>\$ 6,650</u>	<u>\$ 5,241</u>	<u>\$ 5,257</u>	<u>\$ 3,542</u>	<u>\$ 2,725</u>	<u>\$ 1,976</u>	<u>\$ 1,336</u>
Net OPEB Liability — End of Year (a) - (b)	<u>\$ 149,538</u>	<u>\$ 148,567</u>	<u>\$ 161,586</u>	<u>\$ 141,554</u>	<u>\$ 130,052</u>	<u>\$ 108,509</u>	<u>\$ 101,398</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.3%	3.4%	3.2%	2.4%	2.1%	1.8%	1.3%
Covered payroll	\$ 60,543	\$ 58,780	\$ 62,316	\$ 60,501	\$ 60,501	\$ 58,738	\$ 53,773
Net OPEB Liability as a Percentage of Covered Payroll	247.0%	252.8%	259.3%	234.0%	215.0%	184.7%	188.6%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
TOWN OTHER POSTEMPLOYMENT BENEFITS PLAN**

SCHEDULE OF CONTRIBUTIONS

(dollar amounts are in thousands)

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the		Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
		Actuarially- Determined Contribution	Contribution			
2023	\$ 10,445	\$ 6,918	\$ 3,527	\$ 60,543	11.4%	
2022	11,454	7,662	3,792	58,780	13.0%	
2021	10,276	6,438	3,838	62,316	10.3%	
2020	12,530	5,968	6,562	60,501	9.9%	
2019	11,623	4,791	6,832	60,501	7.9%	
2018	10,051	4,394	5,657	53,773	8.2%	
2017	9,832	4,381	5,451	53,773	8.1%	

Notes to Schedule:

Valuation date	July 1, 2021
Asset valuation method	Market value of the assets as of the reporting date
Actuarial cost method	Individual entry age normal
Inflation	2.5% per annum
Single equivalent discount rate	5.92% per annum (previously 5.74%)
Healthcare cost trend rates	9.0% in 2022, grading down to an ultimate rate of 3.63% in 2060

SCHEDULE OF INVESTMENT RETURNS

Year Ended June 30,	Annual Money- Weighted Rate of Return (net of investment expenses)
2023	8.68%
2022	-23.50%
2021	26.86%
2020	1.91%
2019	5.94%
2018	7.19%
2017	8.45%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
ELECTRIC LIGHT OTHER POSTEMPLOYMENT BENEFITS PLAN**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(dollar amounts are in thousands)

	Year Ended December 31,					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service cost	\$ 142	\$ 128	\$ 122	\$ 102	\$ 99	\$ 126
Interest	354	343	335	319	314	301
Experience differences	(117)	-	51	-	-	-
Changes in assumptions	1,303	200	66	(190)	(156)	-
Benefit payments	(239)	(223)	(217)	(198)	(177)	(190)
Net Change in Total OPEB Liability	<u>1,443</u>	<u>448</u>	<u>357</u>	<u>33</u>	<u>80</u>	<u>237</u>
Total OPEB Liability:						
Beginning of year	<u>6,146</u>	<u>5,698</u>	<u>5,341</u>	<u>5,308</u>	<u>5,228</u>	<u>4,991</u>
End of year (a)	<u>\$ 7,589</u>	<u>\$ 6,146</u>	<u>\$ 5,698</u>	<u>\$ 5,341</u>	<u>\$ 5,308</u>	<u>\$ 5,228</u>
Plan Fiduciary Net Position:						
Contributions	\$ 240	\$ 223	\$ 217	\$ 266	\$ 177	\$ 675
Net investment income (loss)	(1,250)	810	843	1,027	(286)	535
Benefit payments	(240)	(223)	(217)	(198)	(177)	(190)
Net Change in Plan Fiduciary Net Position	<u>(1,250)</u>	<u>810</u>	<u>843</u>	<u>1,095</u>	<u>(286)</u>	<u>1,020</u>
Plan Fiduciary Net Position:						
Beginning of year	<u>7,551</u>	<u>6,741</u>	<u>5,898</u>	<u>4,803</u>	<u>5,089</u>	<u>4,069</u>
End of year (b)	<u>\$ 6,301</u>	<u>\$ 7,551</u>	<u>\$ 6,741</u>	<u>\$ 5,898</u>	<u>\$ 4,803</u>	<u>\$ 5,089</u>
Net OPEB (Asset) Liability — End of Year (a) - (b)	<u>\$ 1,288</u>	<u>\$ (1,405)</u>	<u>\$ (1,043)</u>	<u>\$ (557)</u>	<u>\$ 505</u>	<u>\$ 139</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	83.0%	122.9%	118.3%	110.4%	90.5%	97.3%
Covered payroll	\$ 4,629	\$ 4,310	\$ 4,187	\$ 3,239	\$ 3,144	\$ 3,053
Net OPEB (Asset) Liability as a Percentage of Covered Payroll	27.8%	-32.6%	-24.9%	-17.2%	16.1%	4.6%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is complete, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
ELECTRIC LIGHT OTHER POSTEMPLOYMENT BENEFITS PLAN**

SCHEDULE OF CONTRIBUTIONS

(dollar amounts are in thousands)

Year Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially- Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2022	\$ 202	\$ 240	\$ (38)	\$ 4,629	5.2%
2021	128	223	(95)	4,310	5.2%
2020	71	217	(146)	4,185	5.2%
2019	62	266	(204)	3,239	8.2%
2018	133	177	(44)	3,144	5.6%
2017	189	675	(486)	3,053	22.1%

Notes to Schedule:

Valuation date	January 1, 2022
Asset valuation method	Market value as of the reporting date
Actuarial cost method	Individual entry age normal
Inflation	2.5% per annum
Single equivalent discount rate	5.47% per annum (previously 5.75%)
Healthcare cost trend rates	4.50% per annum

SCHEDULE OF INVESTMENT RETURNS

Year Ended December 31,	Annual Money- Weighted Rate of Return (net of investment expenses)
2022	-16.55%
2021	12.01%
2020	14.30%
2019	21.23%
2018	-5.61%
2017	12.41%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is completed, information is presented for those years in which information is available.

See accompanying independent auditors' report.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Encumbrances	Actual	Positive
	Original Budget	Final Budget	Budgetary Amounts		Budgetary Adjusted	(Negative) Variance
Revenues:						
Property taxes, net of tax refunds	\$ 67,150,498	\$ 67,150,498	\$ 67,257,565		\$ 67,257,565	\$ 107,067
Intergovernmental	25,261,430	25,261,430	25,085,752		25,085,752	(175,678)
Motor vehicle and other excise taxes	4,800,000	4,800,000	6,175,177		6,175,177	1,375,177
Licenses and permits	528,550	528,550	614,708		614,708	86,158
Penalties and interest on taxes	238,000	238,000	368,696		368,696	130,696
Fines and forfeitures	39,500	39,500	13,479		13,479	(26,021)
Departmental and other revenues	805,452	805,452	1,323,724		1,323,724	518,272
Investment income	25,000	25,000	612,752		612,752	587,752
Total Revenues	98,848,430	98,848,430	101,451,853		101,451,853	2,603,423
Expenditures:						
General government	5,589,355	5,589,355	4,779,962	\$ 119,386	4,899,348	690,007
Public safety	14,202,129	14,267,129	13,222,642	150,648	13,373,290	893,839
Education	51,502,618	51,502,618	51,261,965	111,225	51,373,190	129,428
Public works	1,993,109	2,023,109	1,976,523	13,895	1,990,418	32,691
Health and human services	1,150,723	1,150,723	914,741	8,278	923,019	227,704
Culture and recreation	1,486,941	1,486,941	1,416,678	6,627	1,423,305	63,636
Pension and fringe benefits	16,318,876	16,318,876	15,616,146	5,714	15,621,860	697,016
State and county charges	5,944,844	5,944,844	5,691,485	-	5,691,485	253,359
Debt service	4,196,280	4,196,280	4,161,292	-	4,161,292	34,988
Total Expenditures	102,384,875	102,479,875	99,041,434	\$ 415,773	99,457,207	3,022,668
Other Financing Sources (Uses):						
Transfers in	2,840,830	2,905,830	2,781,056		2,781,056	(124,774)
Transfers out	(5,911,491)	(7,841,329)	(7,841,329)		(7,841,329)	-
Total Other Financing Sources (Uses)	(3,070,661)	(4,935,499)	(5,060,273)		(5,060,273)	(124,774)
(Deficiency) Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(6,607,106)	(8,566,944)	\$ (2,649,854)		\$ (3,065,627)	\$ 5,501,317
Other Budgetary Items:						
Prior year encumbrances	891,123	891,123				
Free cash	5,715,000	7,674,838				
Other items	983	983				
Total Other Budgetary Items	6,607,106	8,566,944				
Net Budget	\$ -	\$ -				

See notes to required supplementary information.

See accompanying independent auditors' report.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023**

An annual budget is legally adopted for the general fund. Generally, financial orders are initiated by the Town Manager, recommended by the Town Finance Committee and approved by the Town Council. At the close of each fiscal year, unencumbered appropriation balances lapse and revert to unassigned fund balance.

The Town’s general fund is prepared using the Uniform Municipal Accounting System basis of accounting as prescribed by the Massachusetts Department of Revenue, which is not GAAP. The “actual” results column of the Schedule of Revenues, Expenditures and Changes in Fund Equity – Budgetary Basis is presented on a budgetary basis to provide a meaningful comparison with the budget. A complete reconciliation is provided below:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenues — budgetary basis			\$ 101,451,853
Revenue recognition	\$ 51,210	\$ -	51,210
Stabilization revenue	-	107,175	107,175
NAED PILOT revenue	-	381,553	381,553
On behalf payments	<u>8,055,942</u>	<u>-</u>	<u>8,055,942</u>
Revenues — GAAP basis	<u>\$ 8,107,152</u>	<u>\$ 488,728</u>	<u>\$ 110,047,733</u>
Expenditures — budgetary basis			\$ 99,041,434
Transfer treatment for budget	\$ -	\$ (801,850)	(801,850)
On behalf payments	<u>8,055,942</u>	<u>-</u>	<u>8,055,942</u>
Expenditures — GAAP basis	<u>\$ 8,055,942</u>	<u>\$ (801,850)</u>	<u>\$ 106,295,526</u>
Net Transfers — budgetary basis			\$ (5,060,273)
NAED PILOT revenue	\$ -	\$ (381,553)	(381,553)
Transfer treatment for budget	<u>-</u>	<u>(1,477,012)</u>	<u>(1,477,012)</u>
Net Transfers — GAAP basis	<u>\$ -</u>	<u>\$ (1,477,012)</u>	<u>\$ (6,918,838)</u>

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PROPOSED FORM OF LEGAL OPINION

(Date of Delivery)

Christopher L. Sweet, Treasurer/Collector
Town of North Attleborough
North Attleborough, Massachusetts

Re: Town of North Attleborough, Massachusetts
\$9,830,000 General Obligation Municipal Purpose Loan of 2024 Bonds
dated June 5, 2024

Ladies and Gentlemen:

We have acted as bond counsel to the Town of North Attleborough, Massachusetts (the “Town”) in connection with the issuance by the Town of the above-referenced bonds (the “Bonds”). In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations and covenants of the Town contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. We have not assumed any responsibility with respect to the financial condition of the Town or the disclosure thereof in connection with the sale of the Bonds.

Based on our examination, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and binding general obligations of the Town and, except to the extent they are paid from other sources, the principal of and interest on the Bonds are payable from taxes which may be levied upon all taxable property in the Town, subject to the limit imposed by Chapter 59, Section 21C of the General Laws.

2. Interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes. In addition, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in the determination of the “adjusted financial statement income” of “applicable corporations” (as such terms are defined in Sections 56A and 59, respectively, of the Internal Revenue Code of 1986, as amended (the “Code”)), for purposes of computing the alternative minimum tax imposed on such corporations. In rendering the opinions set forth in this paragraph, we have assumed compliance by the Town with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal tax purposes. The Town has covenanted to comply with all such requirements. Failure by the Town to comply with certain of such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes

retroactive to the date of issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

3. Interest on the Bonds is exempt from Massachusetts personal income taxes and the Bonds are exempt from Massachusetts personal property taxes. We express no opinion regarding any other Massachusetts tax consequences arising with respect to the Bonds or any tax consequences arising with respect to the Bonds under the laws of any state other than Massachusetts.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

This opinion is subject to the following additional qualifications and exceptions:

A. This opinion is conditioned as to matters within our actual knowledge. As used in the opinion, matters within our actual knowledge shall be limited to those matters actually known by members of our firm who have devoted substantive attention to this transaction.

B. The opinion is limited to the matters expressly set forth herein, and no opinion may be implied or inferred beyond the specific language and scope so stated.

C. The foregoing opinions are further subject to the effect of any applicable public policy, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally.

Very truly yours,

KP LAW, P.C.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Town of North Attleborough, Massachusetts (the "Issuer") in connection with the issuance of its \$9,830,000 General Obligation Municipal Purpose Loan of 2024 Bonds, dated June 5, 2024 (the "Bonds"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate.

This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions.

For purpose of this Disclosure Certificate the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board as established pursuant to Section 15(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate. Filing information relating to the MSRB is set forth in Exhibit A attached hereto.

"Obligated Person" shall mean the Issuer.

"Owners of the Bonds" shall mean the registered owners, including beneficial owners, of the Bonds.

"Participating Underwriter" shall mean any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

1. (a) The Issuer shall, not later than 270 days after the end of each fiscal year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted when available separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in a timely manner, in substantially the form attached as Exhibit B.

SECTION 4. Content of Annual Reports.

The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) quantitative information for the preceding fiscal year of the type presented in the Issuer's Official Statement of May 22, 2024 relating to the Bonds regarding (i) the revenues and expenditures of the Issuer relating to its operating budget, (ii) capital expenditures, (iii) fund balances, (iv) property tax information, (v) outstanding indebtedness and overlapping debt of the Issuer, (vi) pension obligations of the Issuer, and (vii) other post-employment benefits liability of the Issuer, and

(b) the most recently available audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles, with certain exceptions permitted by the Massachusetts Uniform Municipal Accounting System promulgated by the Department of Revenue of the Commonwealth. If audited financial statements for the preceding fiscal year are not available when the Annual Report is submitted, the Annual Report will include unaudited financial statements for the preceding fiscal year and audited financial statements for such fiscal year shall be submitted when available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which (i) are available to the public on the MSRB internet website or (ii) have been filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer shall give notice in accordance with Section 5(b) below, of the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of owners of the Bonds, if material.

8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person.
13. The consummation of a merger, consolidation, or acquisition involving the Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect Owners of the Bonds, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the Issuer shall, in a timely manner not in excess of ten (10) business days after the occurrence of the event, file a notice of such occurrence with the MSRB.

(c) For the purposes of the event identified in subparagraph (a)(12) above, the event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

(d) For the purposes of the events identified in subparagraph (a)(15) and (a)(16) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” excludes municipal securities for which a final offering statement has been provided to the MSRB consistent with the Rule.

(e) Nothing in this Disclosure Certificate shall preclude the Issuer from disseminating any information in addition to that required hereunder. If the Issuer disseminates any such additional information, nothing in this Disclosure Certificate shall obligate the Issuer to update such information or to include it in any future materials disseminated.

SECTION 6. Transmission of Information and Notices.

Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation.

The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, in accordance with the terms of the Bonds, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

SECTION 8. Amendment; Waiver.

Notwithstanding any other provision of the Disclosure Certificate, the Issuer may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is permitted by the Rule, as evidenced by an opinion of counsel expert in federal securities law (which may include bond counsel to the Issuer), to the effect that such amendment or waiver would not cause the Disclosure Certificate to violate the Rule. The first Annual Report filed after enactment of any amendment to or waiver of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of information being provided in the Annual Report.

If the amendment provides for a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

SECTION 9. Default.

In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Owners of the Bonds may seek a court order for specific performance by the Issuer of its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not constitute a default with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action for specific performance of the Issuer's obligations hereunder and not for money damages in any amount.

SECTION 10. Beneficiaries.

This Disclosure Certificate shall inure solely to the benefit of the Owners of the Bonds from time to time, and shall create no rights in any other person or entity.

SECTION 11. Governing Law.

This Disclosure Certificate shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts and applicable law of the United States of America.

IN WITNESS WHEREOF, the Issuer has caused this Disclosure Certificate to be executed by its duly authorized officers under seal to be hereunto attested, all as of the date and year first above written.

Date: June 5, 2024

TOWN OF NORTH ATTLEBOROUGH,
MASSACHUSETTS

By _____
Treasurer

Town Manager

[EXHIBIT A: Filing Information for the MSRB]
[EXHIBIT B: Form of Notice of Failure to File Annual Report]