

FINAL OFFICIAL STATEMENT DATED MARCH 23, 2022

*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. 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. (See "Tax Exemption" herein.) **The Bonds will NOT be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.***

\$9,480,000
TOWN OF NORTH ATTLEBOROUGH
Massachusetts

GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2022 BONDS

Dated: April 6, 2022

Due: April 1, 2023-2042

Maturities on following page

Principal of the Municipal Purpose Loan of 2022 Bonds (the "Bonds") will be payable on April 1 of the years in which the Bonds mature. Interest from the date of the Bonds will be payable on October 1, 2022, and semi-annually thereafter on each April 1 and October 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 April 6, 2022, 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.

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>
2023	\$1,040,000	5.000%	1.430%	M87	2028	\$530,000	5.000%	1.950%	N52
2024	1,035,000	5.000	1.600	M95	2029	525,000	5.000	2.070	N60
2025	1,025,000	5.000	1.700	N29	2030	520,000	4.000	2.200	N78
2026	1,005,000	5.000	1.820	N37	2031	510,000	4.000	2.250	N86
2027	990,000	5.000	1.910	N45	2032	490,000	4.000	2.300	N94
	\$435,000	Term Bonds Maturing April 1, 2034 at 3.000% per annum, at 2.800% yield.							P35
	\$410,000	Term Bonds Maturing April 1, 2036 at 3.000% per annum, at 3.000% yield.							P50
	\$360,000	Term Bonds Maturing April 1, 2038 at 3.000% per annum, at 3.100% yield.							P76
	\$605,000	Term Bonds Maturing April 1, 2042 at 3.125% per annum, at 3.262% yield.							Q34

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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, March 23, 2022, 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: \$9,480,000 General Obligation Municipal Purpose Loan of 2022 Bonds, Book-Entry Only (See “Book-Entry Transfer System”, herein.)

Purpose: 2022 CIP (See “Authorization and Use of Proceeds” herein)

Minimum Bid: **Par plus a premium of no less than \$85,000.**

Dated Date of Bonds: April 6, 2022

Maturity Date of Bonds: Serially on April 1, 2023 through 2042, as detailed herein.

Interest Payable: April 1 and October 1, commencing October 1, 2022.

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 April 6, 2022.

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 March 16, 2022.

NOTICE OF SALE

**TOWN OF NORTH ATTLEBOROUGH
Massachusetts**

\$10,120,000*

GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2022 BONDS

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

Wednesday, March 23, 2022

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

\$10,120,000* GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2022 BONDS, (the “Bonds”), payable April 1 of the years and in the amounts as follows:

<u>Due April 1</u>	<u>Principal Amount*</u>	<u>Due April 1</u>	<u>Principal Amount*</u>
2023	\$ 1,095,000	2033**	\$230,000
2024	1,095,000	2034**	225,000
2025	1,090,000	2035**	225,000
2026	1,075,000	2036**	225,000
2027	1,065,000	2037**	225,000
2028	565,000	2038**	165,000
2029	555,000	2039**	160,000
2030**	555,000	2040**	160,000
2031**	555,000	2041**	160,000
2032**	535,000	2042**	160,000

**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 (April 6, 2022). Interest from the date of the Bonds will be payable on October 1, 2022, and semi-annually thereafter on each April 1 and October 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 March 16, 2022 (the “Preliminary Official Statement”), prepared in connection with the issuance of the Bonds.

Term Bonds

For Bonds maturing on and after April 1, 2030, 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. 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 April 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 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 \$85,000.

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 April 6, 2022, discounts semi-annually all future payments on account of principal and interest to the price bid, not including interest accrued to April 6, 2022, 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 facsimile (508-234-1938 or email (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 or resell the Bonds to the public, then, whether or not the competitive sale requirements were met, the reoffering 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 March 16, 2022, included herein, (b) a certificate in form satisfactory to said firm dated as of April 6, 2022, the delivery date 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, the Preliminary Official Statement did not, as of its date and the date of sale, and the Final Official Statement referred to below, did not as of its date and does not as of the April 6, 2022 of the Bonds, 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 dated March 16, 2022, included herein.

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 April 6, 2022, 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 March 16, 2022, 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: March 16, 2022

[Use if Competitive Sale Requirements Are Met]

\$10,120,000*

**Town of North Attleborough, Massachusetts
General Obligation Municipal Purpose Loan of 2022 Bonds dated April 6, 2022**

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 March 23, 2022.
- (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.

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: April 6, 2022

[SUCCESSFUL BIDDER]

By: _____
Name:
Title:

**Preliminary; subject to change.*

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]**

\$10,120,000*

**Town of North Attleborough, Massachusetts
General Obligation Municipal Purpose Loan of 2022 Bonds dated April 6, 2022**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the [“Successful Bidder”][“Representative”], 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][Representative] 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][Representative] 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).

3. Receipt. The [Successful Bidder][Representative] 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][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder][Representative]'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: April 6, 2022

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____
Name:
Title:

**Preliminary, subject to change.*

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
\$10,120,000* General Obligation Municipal Purpose Loan of 2022 Bonds dated April 6, 2022

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the (“[Successful Bidder][Representative]”), 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][Representative] 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) _____, 2022 or (ii) the date on which the [Successful Bidder][Representative] 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][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).

Receipt. The [Successful Bidder][Representative] 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][Representative], before or simultaneously with the delivery of the Bonds, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder's][Representative'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: April 6, 2022

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____
Name:
Title:

**Preliminary, subject to change.*

SCHEDULE A -SALE PRICES

(To be Attached)

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OFFICIAL STATEMENT

**TOWN OF NORTH ATTLEBOROUGH
MASSACHUSETTS**

**\$9,480,000
GENERAL OBLIGATION MUNICIPAL PURPOSE LOAN OF 2022 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 \$9,480,000 General Obligation Municipal Purpose Loan of 2022 Bonds, dated April 6, 2022 (the "Bonds").

The Bonds are being offered for sale at public bidding and a Notice of Sale dated March 16, 2022, 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 April 6, 2022 and will mature on April 1 of the years and in the principal amounts as follows

<u>Due</u> <u>April 1</u>	<u>Principal</u> <u>Amount</u>	<u>Due</u> <u>April 1</u>	<u>Principal</u> <u>Amount</u>
2023	\$1,040,000	2028	\$530,000
2024	1,035,000	2029	525,000
2025	1,025,000	2030	520,000
2026	1,005,000	2031	510,000
2027	990,000	2032	490,000

\$435,000 Term Bonds Maturing April 1, 2034
\$410,000 Term Bonds Maturing April 1, 2036
\$360,000 Term Bonds Maturing April 1, 2038
\$605,000 Term Bonds Maturing April 1, 2042

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 October 1, 2022, and semi-annually thereafter on each April 1 and October 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>School:</u>			
\$ 930,000	High School Bleachers	Ch. 44, s. 7(1)	06/07/21
590,000	High School Track	Ch. 44, s. 7(1)	12/16/19
120,000	Energy Management	Ch. 44, s. 7(1)	06/07/21
<u>95,000</u>	HVAC	Ch. 44, s. 7(1)	06/07/21
\$1,735,000			
<u>Town:</u>			
\$1,165,000	Fire-Ladder Truck	Ch. 44, s. 7(1)	06/07/21
725,000	Fire-Engine Truck	Ch. 44, s. 7(1)	06/07/21
555,000	Smith Street-Land	Ch. 44, s. 7(1)	06/07/21/09/08/21
465,000	Town-Wide Radio	Ch. 44, s. 7(1)	06/07/21
325,000	Police-Software	Ch. 44, s. 7(1)	06/07/21
295,000	Front-End Loader	Ch. 44, s. 7(1)	06/07/21
195,000	Dump Truck	Ch. 44, s. 7(1)	06/07/21
<u>110,000</u>	Backhoe	Ch. 44, s. 7(1)	06/07/21
\$3,835,000			

Enterprise:

\$ 960,000	Sewer- I&I	Ch. 44, s. 7(1)	06/03/19
885,000	Sewer-Wastewater-HVAC	Ch. 44, s. 7(1)	06/07/21
630,000	Water- PFAs removal/fluoride	Ch. 44, s. 8	10/13/21
565,000	Sewer	Ch. 44, s. 7(1)	06/07/21
285,000	Sewer-Wastewater Building	Ch. 44, s. 7(1)	06/07/21
235,000	Water-Radio	Ch. 44, s. 7(1)	06/07/21
215,000	Sewer-Rudon Street	Ch. 44, s. 8(14)	09/22/21
<u>135,000</u>	Water-High St. Tank Coating	Ch. 44, s. 7(1)	06/07/21
\$3,910,000			

\$9,480,000 Total

The proceeds of the Bonds as well as \$7,455 of net premium proceeds, 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 2023 through 2029, inclusive, are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after April 1, 2030, are subject to redemption prior to maturity, at the option of the Town, on and after April 1, 2029, 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

The Bonds maturing on April 1, 2034, 2036, 2038, and 2042 the “Term Bonds”, will be subject to mandatory redemption on April 1 in each year or years immediately prior to the stated maturity of such Term Bonds (the particular portion of the Term Bonds of such maturity to be redeemed to be selected by lot) as indicated herein.

The Bonds maturing on April 1, 2034 are subject to mandatory redemption or mature on April 1 in each of the years 2033 and 2034, inclusive, at the price of par, plus accrued interest to the redemption date, in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2033	\$220,000
2034 [†]	215,000

The Bonds maturing on April 1, 2036 are subject to mandatory redemption or mature on April 1 in each of the years 2035 and 2036, inclusive, at the price of par, plus accrued interest to the redemption date, in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2035	\$205,000
2036 [†]	205,000

The Bonds maturing on April 1, 2038 are subject to mandatory redemption or mature on April 1 in each of the years 2037 and 2038, inclusive, at the price of par, plus accrued interest to the redemption date, in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2037	\$205,000
2038 [†]	155,000

The Bonds maturing on April 1, 2042 are subject to mandatory redemption or mature on April 1 in each of the years 2039, 2040, 2041 and 2042, inclusive, at the price of par, plus accrued interest to the redemption date, in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2039	\$155,000
2040	150,000
2041	150,000
2042 [†]	150,000

[†] Denotes final maturity.

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. **The Bonds are NOT "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.** 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 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.

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	2023
	John D. Simmons, Vice-President	Elected/Vice-President	2023
	Andrew Shanahan	Elected/Member	2023
	JoAnn Cathcart	Elected/Member	2023
	Mark Gould, Esq.	Elected/Member	2023
	Patrick Reynolds, Esq.	Elected/Member	2023
	Darius Gregory	Elected/Member	2023
	Kathleen Prescott	Elected/Member	2023
	Andrea Slobogan	Elected/Member	2023
Town Manager	Michael Borg	Appointed by Town Council	2023
Town Accountant	Linda Catanzariti	Appointed by Town Manager	2022
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 that has not previously been seen in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts declared a state of emergency to support the Commonwealth's response to the outbreak of the virus. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to states to fight the pandemic.

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 \$2,577,545. The Town expects to receive \$8,200,000 in ARP Funds.

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 April 6, 2022, including the Bonds:

General Obligation Bonds

Within General Debt Limit ⁽²⁾		
Sewers & Drains ⁽⁴⁾	\$ 6,668,499	
Schools ⁽³⁾	3,245,000	
Other Building	1,840,000	
Streets, Sidewalks & Parking	5,775,000	
Departmental Equipment	1,575,000	
Architectural & Engineering Services	90,000	
Athletic & Recreational Facilities	1,120,000	
Other Inside General	680,000	
The Bonds	<u>8,635,000</u>	
Total Inside General Debt Limit:		\$29,628,499
Water ⁽⁴⁾	\$ 7,525,000	
Sewers ⁽⁴⁾	20,032,255	
Other	100,000	
Electric ⁽⁴⁾	120,000	
Schools ⁽³⁾	2,425,000	
The Bonds	<u>845,000</u>	
Total Outside General Debt Limit:		<u>31,047,255</u>
Total Outstanding General Obligation Bonds		\$60,675,754
Temporary Loans in Anticipation of		
Revenue	\$ 0	
Bonds	0	
Grants	<u>0</u>	
Total Temporary Loans		<u>0</u>
Total Long-Term Indebtedness		<u>\$60,675,754</u> ⁽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 \$219,320,155 and the double general debt limit (see "Debt Limits" herein) is \$438,640,310.

⁽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 \$350,000 of currently outstanding bonds has been excluded from the provisions of Proposition 2½.** Debt service on \$4,090,000 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 \$6,211,545 which consists of \$4,541,545 approved on October 13, 2021 for PFAs removal and fluoride injections relating to the Town's water system. Debt service for this project will be financed through the Massachusetts Clean Water Trust, \$1,000,000 approved on June 10, 2020 for sewer purposes; \$70,000 for the replacement of library windows and \$250,000 approved on June 3, 2010 for phase 4 of the town-wide safety and security upgrades and \$350,000 for School energy improvements.

FIVE YEARS OUTSTANDING DEBT ⁽¹⁾

	<u>As of June 30 (000)</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
LONG-TERM INDEBTEDNESS					
Within the General Debt Limit:					
Sewer & Drains	\$ 7,500	\$ 8,707	\$ 9,985	\$10,329	\$10,755
Land Acquisition	0	0	120	240	365
Schools	3,485	2,840	3,585	3,730	3,863
Other Building	2,310	2,680	3,300	3,665	3,835
Streets, Sidewalks & Parking	5,835	5,205	5,730	4,100	3,455
Departmental Equipment	1,740	1,250	1,875	2,318	2,190
Appraisal & Revaluation	0	10	25	40	55
Architectural & Engineering Services	90	130	175	60	85
Athletic & Recreation Facilities	1,155	1,275	1,405	1,537	1,095
Other	<u>690</u>	<u>830</u>	<u>610</u>	<u>730</u>	<u>850</u>
Total Within the General Debt Limit	<u>22,805</u>	<u>22,927</u>	<u>26,810</u>	<u>26,749</u>	<u>26,548</u>
Outside the General Debt Limit:					
Sewers	20,895	21,747	22,587	23,417	24,236
Schools	2,455	2,675	2,895	3,185	3,490
Water	7,735	6,780	7,805	7,610	6,484
Electric	180	240	300	360	630
Other	<u>210</u>	<u>320</u>	<u>1,004</u>	<u>1,097</u>	<u>1,267</u>
Total Outside the General Debt Limit	<u>31,475</u>	<u>31,782</u>	<u>34,591</u>	<u>35,669</u>	<u>36,107</u>
Total Long-Term Indebtedness	<u>54,280</u>	<u>54,709</u>	<u>61,401</u>	<u>62,418</u>	<u>62,655</u>
SHORT-TERM INDEBTEDNESS					
Revenue Anticipation Notes	0	0	0	0	0
Grant Anticipation Notes	0	0	0	0	0
Bond Anticipation Notes	<u>0</u>	<u>205</u>	<u>0</u>	<u>22</u>	<u>300</u>
Total Outstanding Indebtedness	<u>\$54,280</u>	<u>\$54,914</u>	<u>\$61,401</u>	<u>\$62,440</u>	<u>\$62,955</u>

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

Bond Debt vs. Population, Valuations and Income

As of June 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Amount (1)	\$54,279,860	\$54,708,648	\$61,400,864	\$62,418,454	\$62,654,510
Per Capita (2)	\$1,842	\$1,856	\$2,091	\$2,127	\$2,149
Percent of Assessed Valuation (3)	1.27%	1.34%	1.55%	1.65%	1.70%
Percent of Equalized Valuation (4)	1.24%	1.36%	1.53%	1.63%	1.64%
Per Capita as a percent of Personal Income (2) per capita	4.16%	4.20%	4.73%	4.81%	4.86%

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

⁽²⁾ Bureau of the Census - Latest applicable actuals or estimates.

⁽³⁾ Assessed valuation as of the prior January 1.

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

CAPITAL IMPROVEMENT PROGRAM

The following is the Capital Outlay Plan of the Town for fiscal years 2022 through 2026:

As of June 30

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Board of Health	\$ 70,000	\$ 70,000	\$ 70,000	\$ 75,000	\$ 75,000
Conservation Commission	60,000	40,000	40,000	20,000	50,000
Department of Public Works	2,710,000	1,675,000	2,845,000	1,865,000	1,470,000
Fire Department	1,111,719	1,981,719	20,000,000	1,050,000	0
Historical Commission	64,200	64,200	21,400	0	0
IT Department	0	80,000	80,000	0	0
Library	135,000	0	0	0	0
North TV	20,000	20,000	20,000	20,000	0
Parks and Recreation	1,015,500	3,085,000	1,848,000	238,000	506,000
School Department	300,000	680,000	700,000	680,000	300,000
Solid Waste	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Non-Enterprise	<u>5,586,419</u>	<u>7,695,919</u>	<u>25,624,400</u>	<u>3,948,000</u>	<u>2,401,000</u>
Sewer Enterprise	1,215,000	1,525,000	1,250,000	1,020,000	1,075,000
Water Enterprise	<u>1,250,000</u>	<u>880,000</u>	<u>1,655,000</u>	<u>840,625</u>	<u>395,000</u>
Totals:	<u>\$8,051,419</u>	<u>\$10,100,919</u>	<u>\$28,529,400</u>	<u>\$5,808,625</u>	<u>\$3,871,000</u>

ANNUAL DEBT SERVICE ⁽¹⁾

<u>Fiscal Year</u>	<u>Outstanding as of 4/6/22</u>		<u>Current Issue</u>		<u>Total</u>	<u>Cumulative % Principal Retired</u> ⁽⁴⁾
	<u>Principal</u> ⁽²⁾⁽³⁾	<u>Interest</u> ⁽²⁾⁽³⁾	<u>Principal</u>	<u>Interest</u>		
2022	\$ 2,745,000	\$ 400,595	\$ 0	\$ 0	\$ 3,145,595	4.5%
2023	5,434,935	932,632	1,040,000	417,476	7,825,043	15.2
2024	4,445,954	748,688	1,035,000	371,356	6,600,998	24.2
2025	3,979,014	615,681	1,025,000	319,606	5,939,301	32.5
2026	3,712,451	507,216	1,005,000	268,356	5,493,023	40.3
2027	3,138,214	408,802	990,000	218,106	4,755,122	47.1
2028	2,882,287	333,056	530,000	168,606	3,913,949	52.7
2029	2,567,231	282,153	525,000	142,106	3,516,490	57.8
2030	2,455,653	231,220	520,000	115,856	3,322,729	62.7
2031	2,244,397	189,154	510,000	95,056	3,038,607	67.2
2032	2,095,532	151,325	490,000	74,656	2,811,513	71.5
2033	1,813,578	116,133	220,000	55,056	2,204,767	74.8
2034	1,771,942	89,050	215,000	48,456	2,124,448	78.1
2035	1,415,635	63,750	205,000	42,006	1,726,391	80.8
2036	1,424,662	121,219	205,000	35,856	1,786,737	83.5
2037	1,384,033	132,951	205,000	29,706	1,751,690	86.1
2038	1,398,756	106,832	155,000	23,556	1,684,144	88.6
2039	1,223,843	80,361	155,000	18,906	1,478,110	90.9
2040	1,134,298	59,703	150,000	14,063	1,358,064	93.0
2041	1,150,136	41,826	150,000	9,375	1,351,337	95.2
2042	1,016,362	23,569	150,000	4,688	1,194,619	97.1
2043	1,032,987	7,922	0	0	1,040,909	98.8
2044	364,449	0	0	0	364,449	99.4
2045	364,408	0	0	0	364,408	100.0%
	<u>\$51,195,754</u>	<u>\$5,643,835</u>	<u>\$9,480,000</u>	<u>\$2,472,852</u>	<u>\$68,792,447</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 \$350,000 and interest of \$16,100 has been excluded from the provisions of Proposition 2½, subject to the provisions of Chapter 44, Section 20 of the General Laws.

⁽³⁾Principal of \$34,550,754 and interest of \$3,036,186 is 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 contract expires on June 30, 2022. The Town has budgeted \$1,930,836 for fiscal 2022.

The Town contracts with WT Holmes for school bus services. The contract expires on June 30, 2025. The Town paid \$1,229,400 for the bus service in fiscal 2021 and has budgeted \$1,278,900 for fiscal 2022.

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 2022</u>
Bristol County ⁽²⁾	\$659,361	\$0	\$439,628
Tri-County Regional Vocational School District ⁽³⁾	\$0	\$0	\$3,579,776
Greater Attleboro-Taunton Regional Transit Authority ⁽⁴⁾	\$0	\$0	\$225,457

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

⁽²⁾ Source: *The Town of North Attleborough-County Tax Assessment*.

⁽³⁾ Source: *Tri-County Regional Vocational School District*. Debt as of April 6, 2022. 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.

⁽⁴⁾ Source: *Greater Attleboro-Taunton Regional Transit Authority*. Debt as of April 6, 2022. The Authority currently has \$8,200,000 revenue anticipation notes outstanding which will mature August 19, 2022. 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>
2022 (budgeted)	\$3,630,326
2021	3,437,809
2020	3,283,025
2019	3,080,964
2018	3,052,894
2017	2,945,706

As of January 1, 2020, the total estimated accrued liability of the Town’s past service liability was \$171,431,388, and its assets were \$125,422,852, leaving an estimated unfunded liability of \$46,008,536, assuming a 7.25% rate of return. The System has approximately 525 active members and 553 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 2017-2021 and the budgeted amount for fiscal 2022 are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022 (budgeted)	\$ 450,000
2021	1,996,078
2020	1,868,654
2019	1,703,705
2018	1,618,888
2017	1,426,132

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, 2019 (measurement date of June 30, 2020), the Town’s net OPEB liability as of June 30, 2020 was \$141,554,179. The discount rate was changed from the prior valuation report to 5.50% from 5.00%. The funding ratio is 2.44%.

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, 2021, the Town has a balance of \$6,080,830 in the OPEB Trust Fund. The Town appropriated \$425,000 in fiscal 2022 to the Fund.

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 three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). 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 20 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:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u> ⁽³⁾	<u>2018</u>
Real Property ⁽¹⁾	\$4,461,854,157	\$4,194,959,755	\$4,019,865,810	\$3,902,585,170	\$3,711,859,345
Personal Property ⁽¹⁾	<u>77,116,970</u>	<u>64,327,310</u>	<u>67,170,400</u>	<u>65,505,390</u>	<u>67,924,520</u>
Total	<u>\$4,538,971,127</u>	<u>\$4,259,287,065</u>	<u>\$4,087,036,210</u>	<u>\$3,968,090,560</u>	<u>\$3,779,783,865</u>
Equalized Value ⁽²⁾	\$4,386,403,100	\$4,386,403,100	\$4,009,149,200	\$4,009,149,200	\$3,832,030,100
Percent of Total Assessed to Equalized Valuation	103.5%	97.1%	101.9%	99.0%	98.6%

⁽¹⁾ As of January 1, of the prior fiscal year.

⁽²⁾ Based on equalized valuation in effect for each year.

⁽³⁾ Revaluation year.

The following table shows the breakdown of the total assessed valuation for fiscal years 2022, 2021 and 2020 by classification:

<u>Class</u>	<u>2022</u> <u>Assessed</u> <u>Valuation</u>	<u>%</u> <u>of</u> <u>Total</u>	<u>2021</u> <u>Assessed</u> <u>Valuation</u>	<u>%</u> <u>of</u> <u>Total</u>	<u>2020</u> <u>Assessed</u> <u>Valuation</u>	<u>%</u> <u>of</u> <u>Total</u>
Residential	\$3,796,132,925	83.6%	\$3,600,904,410	84.5%	\$3,425,143,437	83.8%
Commercial	558,211,932	12.3	498,724,845	11.7	502,586,173	12.3
Industrial	107,509,300	2.4	95,330,500	2.2	92,136,200	2.3
Personal Property	<u>77,116,970</u>	<u>1.7</u>	<u>64,327,310</u>	<u>1.5</u>	<u>67,170,400</u>	<u>1.6</u>
	<u>\$4,538,971,127</u>	<u>100.0%</u>	<u>\$4,259,287,065</u>	<u>100.0%</u>	<u>\$4,087,036,210</u>	<u>100.0%</u>

TAX RATES

The following shows the actual tax rates per \$1,000 of assessed valuation and the estimated full value rate based on the equalized valuations for the current and most recent fiscal years:

<u>Type of Property</u>	<u>For Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Residential	\$13.93	\$14.27	\$14.35	\$14.24	\$13.34
Open Space	13.93	14.27	14.35	14.24	13.34
Commercial	17.06	17.43	17.56	17.48	13.37
Industrial	17.06	17.43	17.56	17.48	13.37
Personal	<u>17.04</u>	<u>17.41</u>	<u>17.54</u>	<u>17.45</u>	<u>13.34</u>
Average Tax Rate	<u>\$14.44</u>	<u>\$14.76</u>	<u>\$14.87</u>	<u>\$14.79</u>	<u>\$13.34</u>
Full Value Tax Rate (2)	\$14.94	\$14.33	\$15.16	\$14.64	\$13.16

(1) Source: Massachusetts Department of Revenue.

(2) Based on the equalized valuation in effect for each year.

LARGEST TAXPAYERS ⁽¹⁾

The following is a list of the largest taxpayers:

<u>Name</u>	<u>Nature of Business</u>	<u>Fiscal 2022 Assessed Valuation</u>	<u>Amount of Tax</u>	<u>% of Total Levy</u>
Mayflower Emerald Square LLC	Emerald Square Mall	\$ 65,672,800	\$1,176,113	1.80%
North Attleborough Marketplace II LLC	Shopping Plaza	38,175,000	651,266	0.99
CLC North Attleboro LLC	Shopping Plaza	20,574,900	350,876	0.54
JSIP 21 East QOZ Property Owner LLC	Condominiums	24,541,900	341,869	0.52
J & R Associates	Res./Comm. Property Mgmts.	24,388,600	339,733	0.52
North Attleborough Marketplace, LLC	Shopping Plaza	18,376,800	313,508	0.48
Paramount Fashion at Attleboro LLC	Shopping Plaza	15,762,500	268,908	0.41
Dayton Hudson Corporation	Department Store	14,031,600	239,379	0.37
New England Power Company	Utility	13,434,960	229,296	0.35
Verizon New England	Utility	<u>12,752,600</u>	<u>217,304</u>	<u>0.33</u>
	Total	<u>\$247,711,660</u>	<u>\$4,128,252</u>	<u>6.30%</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. **The Town has voted to exclude the debt service on \$350,000 principal amount of currently outstanding bonds from the limitations of Proposition 2½, subject to the provisions of Chapter 44, Section 20 of the General Laws.** 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 AND LEVY LIMITS

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

	For Fiscal Year (000)				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Gross Amount to be Raised:					
Appropriations	\$111,742,094	\$104,614,920	\$107,636,786	\$104,094,308	\$ 95,556,343
Other Local Expenditures	60,907	37,603	36,975	33,792	33,080
State & County Charges	5,800,828	4,801,052	5,095,730	4,772,041	4,213,218
Overlay Reserve	<u>1,202,317</u>	<u>1,217,300</u>	<u>856,452</u>	<u>674,567</u>	<u>691,083</u>
Total Gross Amount to be Raised	<u>\$118,806,146</u>	<u>\$110,670,875</u>	<u>\$113,625,943</u>	<u>\$109,574,708</u>	<u>\$100,493,724</u>
Less Estimated Receipts & Other Revenue:					
Estimated Receipts from State	\$ 24,587,230	\$ 24,244,182	\$ 24,441,192	\$ 24,348,339	\$ 24,080,193
Estimated Receipts - Local	22,062,235	20,989,993	23,858,741	23,638,078	22,411,418
Available Funds Appropriated:					
Free Cash	4,600,377	686,373	2,363,708	1,144,612	1,946,928
Revenue Sharing	0	0	0	0	0
Other Available Funds	1,641,295	1,535,098	1,860,000	1,440,699	1,314,938
Free Cash & Other Revenue Used to Reduce the Tax Rate	<u>363,600</u>	<u>356,000</u>	<u>330,000</u>	<u>300,000</u>	<u>300,000</u>
Total Estimated Receipts & Revenue	<u>\$ 53,254,737</u>	<u>\$ 47,811,646</u>	<u>\$ 52,853,641</u>	<u>\$ 50,871,728</u>	<u>\$ 50,053,477</u>
Net Amount to be Raised (Tax Levy)	<u>\$ 65,551,409</u>	<u>\$ 62,859,229</u>	<u>\$ 60,772,302</u>	<u>\$ 58,702,980</u>	<u>\$ 50,440,247</u>

The following shows the calculation of levy limits for the current and most recent fiscal years:

	For Fiscal Year (000)				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Primary Levy Limit (1)	\$113,474,278	\$106,482,177	\$102,175,905	\$99,202,264	\$94,494,597
Prior Fiscal Year Levy Limit	62,508,011	60,377,329	58,295,294	50,026,771	48,404,137
2.5% Levy Growth	1,562,700	1,509,433	1,457,382	1,250,741	1,210,103
New Growth (2)	1,119,334	621,249	624,653	514,911	412,531
Overrides	0	0	0	6,500,000	0
Growth Levy Limit	65,190,045	62,508,011	60,377,329	58,295,294	50,026,771
Debt Exclusions	382,200	397,950	413,700	428,575	443,450
Capital Expenditure Exclusions	0	0	0	0	0
Other Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tax Levy Limit	65,572,245	62,905,961	60,791,029	58,723,869	50,470,221
Tax Levy	<u>65,551,409</u>	<u>62,859,229</u>	<u>60,772,302</u>	<u>58,702,980</u>	<u>50,440,247</u>
Unused Levy Capacity (3)	<u>\$ 20,836</u>	<u>\$ 46,732</u>	<u>\$ 18,727</u>	<u>\$ 20,889</u>	<u>\$ 29,974</u>
Unused Primary Levy Capacity (4)	<u>\$ 48,284,233</u>	<u>\$ 43,974,166</u>	<u>\$ 41,798,576</u>	<u>\$40,906,970</u>	<u>\$44,467,826</u>

⁽¹⁾ 2.5% of assessed valuation.

⁽²⁾ Allowed addition for new valuation certified by the Department of Revenue.

⁽³⁾ Tax Levy Limit less Tax Levy. The additional amount which may be levied without voter approval.

⁽⁴⁾ Primary Levy less Growth Levy Limit.

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:

	For Fiscal Year				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Tax Levy	\$65,551,409	\$62,859,229	\$60,772,302	\$58,702,980	\$50,440,247
Overlay Reserve for Abatements	<u>1,202,317</u>	<u>1,217,300</u>	<u>856,452</u>	<u>674,567</u>	<u>691,083</u>
Net Tax Levy ⁽¹⁾	<u>\$64,349,092</u>	<u>\$61,641,929</u>	<u>\$59,915,850</u>	<u>\$58,028,413</u>	<u>\$49,749,164</u>
Amount Collected During					
Fiscal Year Payable ⁽²⁾	\$30,972,951	\$62,268,776	\$59,167,230	\$57,591,202	\$49,864,370
Percent of Net Tax Levy	47.3%	99.1%	98.8%	99.3%	99.7%

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

⁽²⁾ Actual collections of levy less refunds and amounts refundable, including proceeds of tax titles and tax possessions attributed to such levy, but not including abatements or other credits. The collections for fiscal 2022 are through January 1, 2022.

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:

	For Fiscal Year				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Levy	\$65,551,409	\$62,859,229	\$60,772,302	\$58,702,980	\$50,440,247
Overlay Reserve for					
Abatements	\$1,202,317	\$1,217,300	\$856,452	\$674,567	\$691,083
Percent of Tax Levy	1.8%	1.9%	1.4%	1.5%	1.4%
Abatements Granted:					
During Fiscal Year of Levy (1)	\$14,103	\$122,721	\$275,159	\$1,191,349	\$310,025

(1) Abatements for fiscal 2022 is through February 1, 2022.

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 2018-2022:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Government	\$ 25,785,731	\$ 26,536,454	\$ 18,926,959	\$18,477,090	\$16,827,160
Public Safety	12,355,657	11,666,518	11,278,140	10,921,342	9,825,758
Inspections	294,131	278,352	262,715	261,425	246,805
Health and Sanitation	350,530	3,600,326	3,324,977	3,185,151	2,982,074
Public Works ⁽¹⁾	15,315,820	12,650,524	12,654,742	12,648,524	11,930,662
Education	48,965,356	46,664,647	46,698,873	44,747,825	41,706,415
Library	690,535	609,364	659,260	651,342	553,396
Parks and Recreation	724,325	601,066	590,460	550,897	434,455
Human Services	780,334	833,301	752,366	733,621	656,226
Retirement	3,437,809	3,283,025	3,080,964	3,256,801	3,052,894
Other	1,244,820	-	-	-	-
Debt	<u>3,762,050</u>	<u>3,477,860</u>	<u>4,159,231</u>	<u>4,100,637</u>	<u>4,020,233</u>
Total	<u>\$113,707,098</u>	<u>\$110,201,437</u>	<u>\$102,388,687</u>	<u>\$99,534,655</u>	<u>\$92,236,078</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 2022 (the amounts do not include MSBA School Construction Aid which is distributed by the Massachusetts School Building Authority):

<u>Fiscal Year</u>	<u>Total State Aid</u>
2022 (budgeted)	\$24,587,230
2021	24,479,807
2020	24,351,189
2019	24,344,325
2018	23,884,019
2017	23,609,818

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 2022:

<u>Fiscal Year</u>	<u>Motor Vehicle Excise Taxes</u> ⁽¹⁾
2022 (budgeted)	\$4,097,264
2021	4,338,404
2020	4,584,394
2019	4,261,414
2018	4,279,330
2017	4,260,003

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

COMMUNITY PRESERVATION ACT

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

A city or town may approve a surcharge of up to 3% (but not less than 1% under certain circumstances) and may make an additional commitment of funds by dedicating revenue other than state or federal funds, provided that the total funds collected do not exceed 3% of the real property tax levy, less any exemptions adopted (such as an exemption for low-income individuals and families and for low and moderate-income senior citizens, an exemption for \$100,000 of the value of each taxable parcel of residential real property or \$100,000 of the value of each taxable parcel of class three, commercial property, and class four, industrial property as defined in Chapter 59, Section 2A of the General Laws, and an exemption for commercial and industrial properties in cities and towns with classified tax rates). In the event that the municipality shall no longer dedicate all or part of the additional funds to community preservation, the surcharge on the real property tax levy of not less than 1% shall remain in effect, provided that any such change must be approved pursuant to the same process as acceptance of the CPA. The surcharge is not counted in the total taxes assessed for the purpose of determining the permitted levy amount under Proposition 2½ (see “*Tax Limitations*” under “PROPERTY TAX” herein). A city or town may revoke its acceptance of the provisions of the CPA at any time after 5 years from the date of such acceptance and may change the amount of the surcharge or the exemptions to the surcharge at any time, including reducing the surcharge to 1% and committing additional municipal funds as outlined above, provided that any such revocation or change must be approved pursuant to the same process as acceptance of the CPA.

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

The amounts raised by the surcharge on taxes and received in state matching funds are required to be deposited in a dedicated community preservation fund, the dedication of revenue. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total

annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged. The Town has not 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

Three additional sources of revenue for local governments are the room occupancy excise tax, local meals excise tax and the aviation fuel tax. All of these taxes take effect only where accepted by individual municipalities. The Town has implemented the room occupancy excise tax. 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 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. On June 7, 2010, the Town accepted the local room occupancy tax.

The following table shows the actual Room Occupancy receipts for the most recent fiscal years and the budgeted amount for fiscal 2022:

<u>Fiscal Year</u>	<u>Receipts</u>
2022 (budgeted)	\$160,000
2021	157,980
2020	171,583
2019	204,911
2018	206,974
2017	211,413

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 2022:

<u>Fiscal Year</u>	<u>Receipts</u>
2022 (budgeted)	\$450,000
2021	443,594
2020	457,987
2019	506,533
2018	493,075
2017	477,371

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 boundries.

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>
2021	\$15,631,867	\$5,523,193
2020	12,010,873	4,600,377
2019	8,951,654	3,914,872
2018	6,022,289	1,078,467
2017	6,005,507	1,785,760

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>
2021	\$7,475,031
2020	5,401,496
2019	3,906,987
2018	3,176,158
2017	2,530,718

In addition, the Town voted in 2021 to establish a Capital Stabilization Fund. The balance in the fund, as of June 30, 2021, was \$1,613,866.

The Town also has an additional Stabilization Fund (included in the above Stabilization Fund balances), the Betterment Stabilization Fund, which had a balance of \$126,230, as of June 30, 2021. 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 71.3 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 ⁽¹⁾</u>
Administrators Association	School Administrators	10	6/30/2021
NAFT	School Teachers	371	8/31/2022
NAFT	School Office Professionals	23	6/30/2022
NAFT	School Para-professionals	119	8/31/2022
NAFT	Cafeteria	31	8/31/2022
AFSCME	School Custodians/Bus Drivers	45	6/30/2022
AFSCME	Town-Clerical	26	6/30/2022
NAFF	Fire	55	6/30/2022
Police Officers Association	Police	29	6/30/2022
Professional Police Officers Assoc.	Police	7	6/30/2022
Mass Cop-Dispatcher	Police	12	6/30/2022
USWA-Units 1 & 2	Town	40	6/30/2022
Laborers	DPW/Park	<u>41</u>	6/30/2022
Total		<u>809</u>	

(1) Expired contract is currently in negotiation.

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 2021.*

EMPLOYMENT AND WAGES

	<u>Calendar Year Average</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Construction & Natural Resources	488	496	491	474	425
Manufacturing	1,345	1,445	1,446	1,393	1,369
Trade, Transportation & Utilities	3,703	4,411	4,503	4,603	4,789
Financial Activities	324	363	355	388	314
Professional & Business Services	626	627	629	614	665
Education & Health Services	772	892	804	805	789
Leisure & Hospitality	1,187	1,546	1,560	1,493	1,451
Information & Other Services	999	1,230	1,296	1,320	1,253
Total Employment	<u>9,444</u>	<u>11,010</u>	<u>11,084</u>	<u>11,090</u>	<u>11,055</u>
Number of Establishments	897	917	921	943	920
Total Annual Wage (000)	\$472,270	\$486,213	\$471,622	\$455,386	\$439,545
Average Weekly Wage	\$868	\$773	\$745	\$721	\$697

Source: *Massachusetts Executive Office of Labor & Workforce Development.*

BUILDING PERMITS

<u>Calendar Year</u>	<u>Number</u>	<u>Estimated Value</u>
2021	1,086	\$48,855,456
2020	813	56,384,464
2019	1,058	56,857,261
2018	921	60,023,011
2017	899	44,418,681

OTHER DATA

Employment (1)

<u>Calendar Year (2)</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment Rate (%)</u>			
			<u>Town</u>	<u>County</u>	<u>State</u>	<u>US</u>
2021 (December)	16,327	15,809	3.2	4.3	3.5	3.7
2020	16,235	14,791	8.9	10.2	8.9	8.1
2019	16,701	16,221	2.9	3.9	3.0	3.7
2018	16,775	16,219	3.3	4.4	3.4	3.9
2017	16,346	15,750	3.6	4.9	3.8	4.4

(1) Source: Massachusetts Executive Office of Labor & Workforce Development.

(2) Full year averages except for 2021 which is for the month indicated.

Population (1)

<u>Year</u>	<u>North Attleborough</u>		<u>Bristol County</u>		<u>Massachusetts</u>	
	<u>Number</u>	<u>% Change</u>	<u>Number</u>	<u>% Change</u>	<u>Number</u>	<u>% Change</u>
2020	29,470	2.6	566,765	3.4	6,893,574	5.3
2010	28,712	5.8	548,285	2.5	6,547,629	3.1
2000	27,143	8.4	534,678	5.6	6,349,097	5.5
1990	25,038	18.7	506,325	6.7	6,016,425	4.9
1980	21,095	0.0	474,641	0.0	5,737,037	0.0

(1) Source: U.S. Department of Commerce for actuals and estimates.

Population Density (1)

<u>Year</u>	<u>North Attleborough (2)</u>		<u>Bristol County</u>		<u>Massachusetts</u>	
	<u>Number</u>	<u>Density</u>	<u>Number</u>	<u>Density</u>	<u>Number</u>	<u>Density</u>
2020	29,470	1,580.6	566,765	1,019.3	6,893,574	879.5
2010	28,712	1,539.9	548,285	986.1	6,547,629	835.4
2000	27,143	1,455.8	534,678	961.6	6,349,097	810.0
1990	25,038	1,342.9	506,325	910.6	6,016,425	767.6
1980	21,095	1,131.4	474,641	853.6	5,737,037	732.0

(1) Source: U.S. Department of Commerce for actuals and estimates.

(2) Based on 18.6 square miles.

Population Composition By Age (1)

<u>Age</u>	<u>North Attleborough</u>		<u>Bristol County</u>		<u>Massachusetts</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5 Years	1,263	4.3	29,617	5.3	361,016	5.3
5 Years to 19 Years	6,234	21.4	101,522	18.1	1,218,404	17.8
20 Years to 64 Years	18,000	61.7	336,600	60.0	4,164,044	60.8
65 Years and Over	<u>3,683</u>	<u>12.6</u>	<u>93,298</u>	<u>16.6</u>	<u>1,107,089</u>	<u>16.2</u>
Total	<u>29,180</u>	<u>100.0</u>	<u>561,037</u>	<u>100.0</u>	<u>6,850,553</u>	<u>100.0</u>
Median Age	39.5		41.0		39.5	
Median Age (2000)	35.6		36.7		36.5	

(1) Source: U.S. Department of Commerce. 5-year estimates.

Per Capita Income Levels (1)

Year	North Attleborough		Bristol County		Massachusetts	
	Amount	% Change	Amount	% Change	Amount	% Change
2019 5-year estimates	\$44,230	46.0	\$35,747	0.0	\$43,761	31.8
2009	30,294	16.6	-0-	0.0	33,203	27.9
1999	25,974	48.1	20,978	51.4	25,952	50.7
1989	17,535	138.5	13,853	121.7	17,224	131.0
% Below Poverty Level (2019 5-year estimates)	6.5		8.6		7	

(1) Source: U.S. Department of Commerce.

Family Income Distribution (1)

Income for Families	North Attleborough		Bristol County		Massachusetts	
	Families	Percent	Families	Percent	Families	Percent
Less than \$25,000	595	8.1	17,019	11.8	152,544	9.2
25,000 - 49,999	692	9.4	22,744	15.8	220,833	13.3
50,000 - 74,999	691	9.4	21,380	14.9	220,200	13.3
75,000 - 99,999	936	12.7	20,630	14.4	210,440	12.7
100,000 - 149,999	1,832	24.9	30,540	21.3	347,822	21.0
150,000 - 199,999	1,283	17.4	16,999	11.8	215,197	13.0
200,000 or more	<u>1,327</u>	<u>18.0</u>	<u>14,381</u>	<u>10.0</u>	<u>292,264</u>	<u>17.6</u>
Total	<u>7,356</u>	<u>100.0</u>	<u>143,693</u>	<u>100.0</u>	<u>1,659,300</u>	<u>100.0</u>
Median Income	\$117,635		\$87,136		\$103,126	

(1) Source: U.S. Department of Commerce. 2019 5-year estimates.

Household Income Distribution (1)

Income for Households	North Attleborough		Bristol County		Massachusetts	
	Households	Percent	Households	Percent	Households	Percent
Less than \$25,000	1,543	13.9	43,064	19.8	434,574	16.6
25,000 - 49,999	1,701	15.4	39,874	18.3	417,886	16.0
50,000 - 74,999	1,236	11.2	33,456	15.4	371,113	14.2
75,000 - 99,999	1,470	13.3	28,649	13.1	315,954	12.1
100,000 - 149,999	2,256	20.4	37,218	17.1	466,142	17.8
150,000 - 199,999	1,393	12.6	19,455	8.9	266,881	10.2
200,000 or more	<u>1,472</u>	<u>13.3</u>	<u>16,196</u>	<u>7.4</u>	<u>344,947</u>	<u>13.2</u>
Total	<u>11,071</u>	<u>100.0</u>	<u>217,912</u>	<u>100.0</u>	<u>2,617,497</u>	<u>100.0</u>
Median Income	\$92,886		\$69,095		\$81,215	

(1) Source: U.S. Department of Commerce. 2019 5-year estimates.

Value Distribution Of Specified Owner-Occupied Housing Units (1)

Units	North Attleborough		Bristol County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
Less than \$100,000	449	6.0	5,046	3.7	47,124	2.9
100,000 - 199,999	611	8.2	17,376	12.7	173,121	10.6
200,000 - 299,999	1,494	20.1	45,920	33.6	317,857	19.5
300,000 - 499,999	3,523	47.4	51,754	37.9	585,582	35.9
500,000 - 999,999	1,298	17.5	14,824	10.9	414,601	25.4
1,000,000 or more	60	0.8	1,588	1.2	94,480	5.8
Total	<u>7,435</u>	<u>100.0</u>	<u>136,508</u>	<u>100.0</u>	<u>1,632,765</u>	<u>100.0</u>
Median Value	\$351,800		\$299,800		\$381,600	

(1) Source: U.S. Department of Commerce. 2019 5-year estimates.

Age Distribution Of Housing Units (1)

Year Built	North Attleborough		Bristol County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
2000 or later	1,243	10.8	21,725	9.2	300,065	10.4
1980 to 1999	3,166	27.5	46,244	19.7	534,613	18.5
1940 to 1979	4,650	40.4	88,911	37.8	1,120,232	38.7
1939 or Earlier	2,459	21.3	78,395	33.3	942,349	32.5
Total	<u>11,518</u>	<u>100.0</u>	<u>235,275</u>	<u>100.0</u>	<u>2,897,259</u>	<u>100.0</u>

(1) Source: U.S. Department of Commerce. 2019 5-year estimates.

Housing Unit Inventory (1)

Units in Structure	North Attleborough		Bristol County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
1, Detached	6,461	56.1	125,974	53.5	1,509,059	52.1
1, Attached	450	3.9	7,776	3.3	154,822	5.3
2 to 4	1,939	16.8	59,591	25.3	595,395	20.6
5 to 9	578	5.0	17,448	7.4	167,945	5.8
10 to 19	842	7.3	7,894	3.4	124,931	4.3
20 or More	979	8.5	13,350	5.7	320,697	11.1
Mobile Home, Trailer, Other	269	2.3	3,242	1.4	24,410	0.8
Total	<u>11,518</u>	<u>100.0</u>	<u>235,275</u>	<u>100.0</u>	<u>2,897,259</u>	<u>100.0</u>

(1) Source: U.S. Department of Commerce. 2019 5-year estimates.

Educational Attainment (1)

Years of School Completed	North Attleborough		Bristol County		Massachusetts	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th Grade	613	3.0	29,645	7.5	208,460	4.4
9th to 12th Grade, No Diploma	847	4.1	26,551	6.8	233,484	4.9
High School Graduate	4,763	23.3	117,579	29.9	1,148,525	24.0
Some College, No Degree	3,910	19.1	70,561	18.0	738,484	15.4
Associate's Degree	1,746	8.5	35,905	9.1	363,665	7.6
Bachelor's Degree	5,263	25.8	71,837	18.3	1,151,870	24.1
Graduate or Professional Degree	<u>3,281</u>	<u>16.1</u>	<u>40,737</u>	<u>10.4</u>	<u>937,195</u>	<u>19.6</u>
Total	<u>20,423</u>	<u>100.0</u>	<u>392,815</u>	<u>100.0</u>	<u>4,781,683</u>	<u>100.0</u>
High School Graduate or Higher	18,963	92.9	336,619	85.7	4,339,739	90.8
Bachelor's Degree or Higher	8,544	41.8	112,574	28.7	2,089,065	43.7

(1) Source: U.S. Department of Commerce. 2019 5-year estimates

SCHOOL ENROLLMENTS (1) (2)

	Actual					Projected
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Pre K-5	2,040	1,948	1,949	1,856	1,819	1,850
6-8	1,087	1,104	1,099	995	959	1,000
9-12	<u>1,156</u>	<u>1,110</u>	<u>1,106</u>	<u>1,092</u>	<u>1,143</u>	<u>1,170</u>
Total	<u>4,283</u>	<u>4,162</u>	<u>4,154</u>	<u>3,943</u>	<u>3,993</u>	<u>4,020</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

School	Grade	Building Capacity	Current Enrollment (1)(2)
Elementary:			
Amvet Blvd.	K-5	476	416
Falls	K-5	282	222
Martin	K-5	608	580
Roosevelt Ave.	K-5	260	252
Community	K-5	458	275
Early Learning	Pre-K	150	146
Middle School:	6-8	1,350	959
Senior High School:	9-12	<u>1,250</u>	<u>1,143</u>
		<u>4,834</u>	<u>3,993</u>

(1) As of October 1, 2021.

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

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: March 23, 2022

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The following Balance Sheets for June 30, 2018-2021 and the Statement of Revenues, Transfers, Expenditures and Changes in Fund Balance for fiscal years 2017-2021 have been extracted from the audit reports of those years.

The fiscal 2021 audit is reproduced in Appendix B.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>				
Cash and cash equivalents/	\$25,900,056	\$14,947,041	\$18,660,038	
Investments				\$10,635,751
Receivables:				
Property taxes	1,899,698	2,177,836	1,567,352	1,361,038
Departmental & Other	608,403	566,301	860,790	734,259
Due from other governments	99,837	95,426	1,863,847	157,490
Other assets	<u>27,332</u>	<u>28,674</u>	<u>30,534</u>	<u>31,947</u>
Total Assets	<u>\$28,535,326</u>	<u>\$17,815,278</u>	<u>\$19,181,668</u>	<u>\$12,920,485</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Warrants payable	\$ 1,053,686	\$ 1,272,833	\$ 2,629,849	\$ 821,377
Salaries, withholdings & benefits	4,688,951	1,237,998	4,081,797	3,586,539
Deposits & escrows	276,633	-	-	-
Other liabilities	<u>533,902</u>	<u>492,723</u>	<u>486,454</u>	<u>39,143</u>
Total Liabilities	<u>6,553,172</u>	<u>3,003,554</u>	<u>7,198,100</u>	<u>4,447,059</u>
Total Deferred Inflows of Resources:	<u>2,190,181</u>	<u>2,151,637</u>	<u>2,187,620</u>	<u>1,877,022</u>
<u>Fund Balances (Deficit):</u>				
Nonspendable	27,332	28,674	30,534	31,947
Restricted	64,377	120,448	178,813	239,344
Committed	1,613,867	0	0	0
Assigned	2,454,530	500,092	634,947	302,824
Unassigned	<u>15,631,867</u>	<u>12,010,873</u>	<u>8,951,654</u>	<u>6,022,289</u>
Total Fund Balances (Deficit)	<u>19,791,973</u>	<u>12,660,087</u>	<u>9,795,948</u>	<u>6,596,404</u>
Total Liabilities, Deferred Inflows and Fund Balances:	<u>\$28,535,326</u>	<u>\$17,815,278</u>	<u>\$19,181,668</u>	<u>\$12,920,485</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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Revenues:</u>					
Property Taxes	\$ 62,500,275	\$ 60,387,336	\$57,415,607	\$49,927,629	\$49,006,269
Excise Taxes	4,986,059	5,259,854	5,021,796	5,025,459	5,004,310
Fines and Forfeitures	44,437	83,222	77,044	88,779	84,739
Intergovernmental	39,269,593	36,601,928	34,006,710	33,449,331	34,496,393
Investment Income	45,120	542,656	401,820	94,886	58,656
Penalties, Interest & Other Taxes	288,279	230,657	232,171	236,822	350,534
Licenses and Permits	644,065	502,984	476,075	592,047	564,684
Departmental & Other	733,929	882,382	1,977,341	678,415	543,368
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55,991</u>
Total Revenues	<u>\$108,511,757</u>	<u>\$104,491,019</u>	<u>\$99,608,564</u>	<u>\$90,093,368</u>	<u>\$90,164,944</u>
<u>Expenditures:</u>					
General Government	\$ 4,013,697	\$ 4,139,557	\$ 4,211,382	\$ 3,978,033	\$ 3,965,434
Public Safety	11,076,049	11,164,537	11,073,969	10,236,660	9,947,042
Education	61,213,061	58,694,484	53,989,279	51,355,599	50,771,451
Culture & Recreation	1,165,632	1,203,181	1,204,551	992,368	989,977
Public Works	1,447,751	1,253,164	1,652,360	1,748,416	1,615,916
Health & Human Services	914,154	929,398	862,827	860,796	817,836
Debt Service	3,301,415	3,810,309	3,800,893	3,724,714	4,685,526
Employee Benefits/Insurance	14,462,149	14,663,048	14,511,646	14,359,450	13,224,770
Intergovernmental	<u>5,270,613</u>	<u>4,914,083</u>	<u>4,696,708</u>	<u>4,064,084</u>	<u>3,595,090</u>
Total Expenditures	<u>\$102,864,521</u>	<u>\$100,771,761</u>	<u>\$96,003,615</u>	<u>\$91,320,120</u>	<u>\$89,613,042</u>
Excess (deficiency) of revenues over expenditures	5,647,236	3,719,258	3,604,949	(1,226,752)	551,902
Other Financing Sources (Uses)					
Transfers in	1,869,807	1,791,296	1,498,071	1,671,614	1,712,164
Transfers out	<u>(385,157)</u>	<u>(2,646,415)</u>	<u>(1,903,476)</u>	<u>(533,698)</u>	<u>(482,112)</u>
Other Financing Sources (Uses):	<u>1,484,650</u>	<u>(855,119)</u>	<u>(405,405)</u>	<u>1,137,916</u>	<u>1,230,052</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	7,131,886	2,864,139	3,199,544	(88,836)	1,781,954
Fund Balance, Beginning of Year	<u>12,660,087</u>	<u>9,795,948</u>	<u>6,596,404</u>	<u>6,685,240</u>	<u>4,903,286</u>
Fund Balance, End of Year	<u>\$ 19,791,973</u>	<u>\$ 12,660,087</u>	<u>\$ 9,795,948</u>	<u>\$ 6,596,404</u>	<u>\$ 6,685,240</u>

⁽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, 2021 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, 2021



TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

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INDEPENDENT AUDITORS' REPORT

Honorable Town Council
Town of North Attleborough, Massachusetts

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, 2021 (except for the North Attleborough Electric Department, which is as of December 31, 2020) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents,

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the North Attleborough Electric Department, a component unit, which represent approximately 41%, 47% and 70%, 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 opinion, insofar as it relates to the amounts included for this blended presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2021, (except for the North Attleborough Electric Department, which is as of December 31, 2020) and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement

We audited the Town's basic financial statements for the year ended June 30, 2020, for which we issued an unmodified opinion dated February 3, 2021. As discussed in note V to the financial statements, the Town adopted Statement of Governmental Accounting Standards No. 84, *Fiduciary Activities*, in fiscal year 2021. In connection with the adoption of this accounting standard, previously reported total net position in the Statement of Net Position and fund balances in the Statement of Revenues, Expenditures and Changes in Fund Balances were restated. Our opinion was not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 24, 2022 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 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 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.

A handwritten signature in cursive script that reads "Roselli, Clark & Associates". The signature is written in black ink and is positioned above the printed name of the firm.

Roselli, Clark and Associates
Certified Public Accountants
Woburn, Massachusetts
February 24, 2022

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, 2021. 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 nearly \$69.9 million (total net position) at June 30, 2021. The Town's total net position decreased by approximately \$3.2 million in fiscal year 2021.
- The Town continues to report a deficit in its unrestricted net position in its governmental activities. This deficit exceeded \$142.0 million at June 30, 2021. This deficit is due primarily to the recording of liabilities associated with the net OPEB and pension liabilities, which totaled over \$182.6 million at June 30, 2021 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 \$38.0 million, which was approximately \$9.5 million higher than the prior year. The Town reported positive changes in fund balances in each of its reported major governmental funds in fiscal year 2021.
- Of the ending fund balance in the governmental funds at June 30, 2021, approximately \$14.5 million is available for spending at the government's discretion as unassigned fund balance. The remainder is earmarked for specific expenditures.
- At June 30, 2021, unassigned fund balance for the general fund represented approximately 15% percent of total fiscal year 2021 general fund expenditures.
- The Town's total combined long-term debt in its governmental activities and business-type activities decreased approximately \$0.4 million in fiscal year 2021. The Town issued over \$5.5 million in general obligation bonds in fiscal year 2021 with a true interest cost of approximately 1.4%. The Town's total long-term debt was approximately \$54.3 million at June 30, 2021.
- The Town expects to receive approximately \$8.2 million from the federal government under the Corona Virus State & Local Fiscal Recover Funds of the American Rescue Plan Act in a series of installments beginning in early fiscal year 2022. The use of these monies is less limited than the funding the Town received under the CARES Act and based on current guidance must be 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 at all will be reported in the general fund of 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 and capital project funds. 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, 2021	June 30, 2020 (a)	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020 (a)
Assets:						
Current and other assets	\$ 47,821,560	\$ 35,288,527	\$ 83,851,453	\$ 81,341,994	\$ 131,673,013	\$ 116,630,521
Capital assets, net	<u>79,638,598</u>	<u>79,670,345</u>	<u>109,995,009</u>	<u>109,746,630</u>	<u>189,633,607</u>	<u>189,416,975</u>
Total Assets	<u>127,460,158</u>	<u>114,958,872</u>	<u>193,846,462</u>	<u>191,088,624</u>	<u>321,306,620</u>	<u>306,047,496</u>
Deferred Outflows of Resources	<u>35,751,417</u>	<u>33,704,716</u>	<u>4,303,226</u>	<u>5,292,659</u>	<u>40,054,643</u>	<u>38,997,375</u>
Liabilities:						
Long-term liabilities	197,427,047	184,096,534	45,619,746	47,881,689	243,046,793	231,978,223
Other liabilities	<u>10,173,362</u>	<u>7,255,250</u>	<u>10,162,591</u>	<u>9,887,407</u>	<u>20,335,953</u>	<u>17,142,657</u>
Total Liabilities	<u>207,600,409</u>	<u>191,351,784</u>	<u>55,782,337</u>	<u>57,769,096</u>	<u>263,382,746</u>	<u>249,120,880</u>
Deferred Inflows of Resources	<u>11,083,948</u>	<u>6,820,354</u>	<u>17,025,398</u>	<u>15,998,956</u>	<u>28,109,346</u>	<u>22,819,310</u>
Net Position:						
Net investment in capital assets	68,806,559	67,381,530	73,192,975	71,804,881	141,999,534	139,186,411
Restricted	17,802,792	12,841,282	27,753,731	26,816,371	45,556,523	39,657,653
Unrestricted	<u>(142,082,133)</u>	<u>(129,731,362)</u>	<u>24,395,247</u>	<u>23,991,979</u>	<u>(117,686,886)</u>	<u>(105,739,383)</u>
Total Net Position	<u>\$ (55,472,782)</u>	<u>\$ (49,508,550)</u>	<u>\$ 125,341,953</u>	<u>\$ 122,613,231</u>	<u>\$ 69,869,171</u>	<u>\$ 73,104,681</u>

(a) As restated to account for the adoption of GASB Statement No. 84, Fiduciary Activities.

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 over \$3.2 million in fiscal year 2021. The net position in governmental activities decreased nearly \$6.0 million, while the net position in business-type activities increased over \$2.7 million.

The largest portion the Town's overall net position (nearly \$142.0 million) of reflects its investment in capital assets, less any related debt (netted down by those amounts expected to be reimbursed by the Commonwealth) 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 \$45.6 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 \$117.7 million. This deficit balance is primarily the result of the reporting of over \$190.0 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	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 6,219,294	\$ 5,584,308	\$ 40,245,591	\$ 41,829,200	\$ 46,464,885	\$ 47,413,508
Operating grants and contributions	43,496,339	37,340,149	-	-	43,496,339	37,340,149
Capital grants and contributions	2,795,004	202,695	1,023,279	1,538,778	3,818,283	1,741,473
General revenues:						
Property taxes	62,496,717	60,645,842	-	-	62,496,717	60,645,842
Excise taxes	5,028,161	5,113,629	-	-	5,028,161	5,113,629
Intergovernmental	3,055,029	3,055,029	-	-	3,055,029	3,055,029
Other	878,604	857,423	2,002,352	2,392,702	2,880,956	3,250,125
Total Revenues	123,969,148	112,799,075	43,271,222	45,760,680	167,240,370	158,559,755
Expenses:						
General government	6,854,133	7,115,619	-	-	6,854,133	7,115,619
Public safety	22,232,680	19,615,569	-	-	22,232,680	19,615,569
Education	92,330,375	87,352,225	-	-	92,330,375	87,352,225
Public works	4,696,889	3,721,444	-	-	4,696,889	3,721,444
Health and human services	1,515,085	1,501,395	-	-	1,515,085	1,501,395
Culture and recreation	1,998,741	2,251,820	-	-	1,998,741	2,251,820
Interest expense	572,743	650,696	-	-	572,743	650,696
Utility services	-	-	40,275,234	42,495,306	40,275,234	42,495,306
Total Expenses	130,200,646	122,208,768	40,275,234	42,495,306	170,475,880	164,704,074
Change in Net Position Before Transfers	(6,231,498)	(9,409,693)	2,995,988	3,265,374	(3,235,510)	(6,144,319)
Transfers	267,266	130,085	(267,266)	(130,085)	-	-
Change in Net Position	(5,964,232)	(9,279,608)	2,728,722	3,135,289	(3,235,510)	(6,144,319)
Net Position:						
Beginning of year	(49,508,550)	(40,369,382)	122,613,231	119,477,942	73,104,681	79,108,560
Restatement (refer to Note V)	-	140,440	-	-	-	140,440
End of year	\$ (55,472,782)	\$ (49,508,550)	\$ 125,341,953	\$ 122,613,231	\$ 69,869,171	\$ 73,104,681

Governmental Activities – Total revenues in fiscal year 2021 in the Town’s governmental activities increased nearly \$11.2 million, or 9.9%, from the prior fiscal year. The Town’s largest revenue source is property taxes, which represented approximately 50% and 54% of total fiscal year 2021 and 2020 revenues, respectively. Property taxes increased nearly \$1.9 million, or 3.1%, in fiscal year 2021 due to normal property tax increases and new growth. Operating grants and contributions represented approximately 35% and 33% of total fiscal year 2021 and 2020 revenues, respectively. Operating grants and contributions increased nearly \$6.2 million in fiscal year 2021, which was due primarily to significant corona virus relief funds received from the Commonwealth and federal governments as well as an increase in the Commonwealth’s contributions to the MTRS on behalf of the Town. No other revenue sources were greater than 10% of total revenues in fiscal years 2021 or 2020.

Education represents the largest expense category for the Town. In total, education expenses represented approximately 71% of total fiscal year 2021 and 2020 expenses. Public safety expenses represented approximately 17% of total fiscal year 2021 expenses, which was also consistent with the prior fiscal year. No other expense types were greater than 10% of total expenses in fiscal years 2021 or 2020.

Business-Type Activities – Total business-type activities revenues decreased nearly \$2.5 million in fiscal year 2021. This decrease was primarily due to an approximate \$2.1 million decrease in electric department operating revenues. Expenses in the business-type activities decreased over \$2.2 million in fiscal year 2021, primarily as the result of lower noncash personnel costs associated with net pension liabilities as well as lower operating costs in the electric department.

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 \$38.0 million, which was approximately \$9.5 million greater than the prior year. The Town reported positive changes in fund balances in each of its reported major governmental funds in fiscal year 2021. Of the ending fund balances, approximately \$14.5 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 approximately \$15.6 million, while total general fund balance approached \$19.8 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 2021 general fund expenditures, while total fund balance represents approximately 19% of that same amount.

The Town issued approximately \$3.7 million in general obligation bonds in fiscal year 2021, which together with a nearly \$0.4 million premium is reported as an other financing source in the Town’s capital projects fund. The capital projects fund balance increased over \$1.3 million in fiscal year 2021 to approximately \$8.8 million due to the receipt of these bond proceeds and the timing of capital expenditures.

The nonmajor governmental funds reported an increase in fund balance of nearly \$1.1 million in fiscal year 2021. The Town received significant federal and state awards in fiscal year 2021 for corona virus relief and roadway improvement projects.

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 \$2.6 million in free cash to fund certain articles, transfer \$550,000 to the OPEB trust fund and establish an approximate \$1.6 million capital stabilization fund.

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, 2021 totaled approximately \$189.6 million, net of accumulated depreciation. This is an increase of over \$0.2 million from the prior year as fiscal year 2021 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 decreased approximately \$0.4 million in fiscal year 2021 to approximately \$54.3 million at June 30, 2021. The Town issued over \$5.5 million in general obligation bonds in fiscal year 2021 with a true interest cost of approximately 1.4%. Scheduled repayments on principal balances of long-term debt exceeded \$5.9 million in fiscal year 2021.

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

In connection with the Town’s fiscal year 2021 general obligation bond issuance, Standard & Poor’s Financial Services affirmed the Town’s AA credit rating on its long-term debt, which is the third highest credit rating for long-term debt issued by this agency.

Economic Factors and Next Year’s Budgets

- Net state aid for fiscal year 2022 is expected to approximate \$18.8 million.
- The Town enters fiscal year 2022 with the following financial reserves:
 - Certified free cash of approximately \$5.5 million;
 - General stabilization funds of approximately \$7.5 million;
 - Betterment stabilization funds of approximately \$0.1 million; and
 - Capital stabilization funds of approximately \$1.6 million.
- The Town’s real estate tax base is made up predominantly of residential taxes, which in setting the 2021 tax rate was approximately 81% 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 2022 budget in a June 2021 Town Council meeting. The Town set its fiscal year 2022 property tax rate on November 19, 2021.

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, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 29,039,465	\$ 33,853,341	\$ 62,892,806
Investments	13,152,243	36,053,146	49,205,389
Receivables, net of allowances:			
Property taxes	1,899,698	-	1,899,698
Departmental, user charges and other	1,216,046	6,040,926	7,256,972
Intergovernmental	2,486,776	5,503,588	7,990,364
Prepaid items	-	189,987	189,987
Inventories	27,332	1,167,619	1,194,951
Net other postemployment benefits asset	-	1,042,846	1,042,846
Land	8,968,548	258,957	9,227,505
Construction in-progress	-	80,853	80,853
Depreciable capital assets, net	<u>70,670,050</u>	<u>109,655,199</u>	<u>180,325,249</u>
Total Assets	<u>127,460,158</u>	<u>193,846,462</u>	<u>321,306,620</u>
Deferred Outflows of Resources:			
Other postemployment benefits	26,444,350	298,667	26,743,017
Pensions	<u>9,307,067</u>	<u>4,004,559</u>	<u>13,311,626</u>
Total Deferred Outflows of Resources	<u>35,751,417</u>	<u>4,303,226</u>	<u>40,054,643</u>
Liabilities:			
Warrants and accounts payable	1,446,549	3,513,283	4,959,832
Accrued payroll and withholdings	4,750,032	89,139	4,839,171
Refunds due to customers	-	3,071,116	3,071,116
Accrued interest	106,248	99,730	205,978
Deposits and escrows	276,633	-	276,633
Other liabilities	533,902	-	533,902
Noncurrent liabilities:			
Due within one year	3,059,998	3,389,323	6,449,321
Due in more than one year	<u>197,427,047</u>	<u>45,619,746</u>	<u>243,046,793</u>
Total Liabilities	<u>207,600,409</u>	<u>55,782,337</u>	<u>263,382,746</u>
Deferred Inflows of Resources:			
Unavailable revenues - Town of Plainville	-	5,442,359	5,442,359
Unavailable revenues - rate stabilization reserve	-	8,734,256	8,734,256
Other postemployment benefits	848,054	784,106	1,632,160
Pensions	<u>10,235,894</u>	<u>2,064,677</u>	<u>12,300,571</u>
Total Deferred Inflows of Resources	<u>11,083,948</u>	<u>17,025,398</u>	<u>28,109,346</u>
Net Position:			
Net investment in capital assets	68,806,559	73,192,975	141,999,534
Restricted for:			
Nonexpendable permanent funds	2,479,185	-	2,479,185
Expendable permanent funds	896,606	-	896,606
Capital projects	2,283,576	-	2,283,576
Depreciation fund	-	25,847,531	25,847,531
Insurance fund	-	1,906,200	1,906,200
Other purposes	12,143,425	-	12,143,425
Unrestricted	<u>(142,082,133)</u>	<u>24,395,247</u>	<u>(117,686,886)</u>
Total Net Position	<u>\$ (55,472,782)</u>	<u>\$ 125,341,953</u>	<u>\$ 69,869,171</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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	\$ 6,854,133	\$ 1,385,137	\$ 191,130	\$ -	\$ (5,277,866)		\$ (5,277,866)
Public safety	22,232,680	3,777,451	1,245,531	-	(17,209,698)		(17,209,698)
Education	92,330,375	507,993	41,439,506	520,750	(49,862,126)		(49,862,126)
Public works	4,696,889	70,825	25,600	2,274,254	(2,326,210)		(2,326,210)
Health and human services	1,515,085	266,413	407,869	-	(840,803)		(840,803)
Culture and recreation	1,998,741	211,475	173,613	-	(1,613,653)		(1,613,653)
Interest expense	572,743	-	13,090	-	(559,653)		(559,653)
Total Governmental Activities	130,200,646	6,219,294	43,496,339	2,795,004	(77,690,009)		(77,690,009)
Business-Type Activities:							
Sewer	6,097,466	4,696,083	-	833,432		\$ (567,951)	(567,951)
Water	4,611,402	4,357,322	-	189,847		(64,233)	(64,233)
Solid Waste	2,712,714	2,915,716	-	-		203,002	203,002
Electric Light	26,853,652	28,276,470	-	-		1,422,818	1,422,818
Total Business-Type Activities	40,275,234	40,245,591	-	1,023,279		993,636	993,636
Total Primary Government	\$ 170,475,880	\$ 46,464,885	\$ 43,496,339	\$ 3,818,283		993,636	(76,696,373)
General Revenues:							
Property taxes					62,496,717	-	62,496,717
Motor vehicle and other excise taxes					5,028,161	-	5,028,161
Grants and contributions not restricted to to specific programs					3,055,029	-	3,055,029
Penalties and interest on taxes					288,279	-	288,279
Unrestricted investment income					222,547	2,002,352	2,224,899
Other income					367,778	-	367,778
Transfers, net					267,266	(267,266)	-
Total General Revenues and Transfers					71,725,777	1,735,086	73,460,863
Change in Net Position					(5,964,232)	2,728,722	(3,235,510)
Net Position:							
Beginning of year (as restated; refer to Note V)					(49,508,550)	122,613,231	73,104,681
End of year					\$ (55,472,782)	\$ 125,341,953	\$ 69,869,171

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Assets:				
Cash and cash equivalents	\$ 16,870,288	\$ 8,757,562	\$ 3,411,615	\$ 29,039,465
Investments	9,029,768	97,994	4,024,481	13,152,243
Receivables, net of allowances:				
Property taxes	1,899,698	-	-	1,899,698
Departmental, user charges and other	608,403	-	607,643	1,216,046
Intergovernmental	99,837	-	2,386,939	2,486,776
Inventories	27,332	-	-	27,332
Total Assets	28,535,326	8,855,556	10,430,678	47,821,560
Total Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 28,535,326	\$ 8,855,556	\$ 10,430,678	\$ 47,821,560
Liabilities:				
Warrants and accounts payable	\$ 1,053,686	\$ 54,016	\$ 338,847	\$ 1,446,549
Accrued payroll and withholdings	4,688,951	-	61,081	4,750,032
Deposits and escrows	276,633	-	-	276,633
Other liabilities	533,902	-	-	533,902
Total Liabilities	6,553,172	54,016	399,928	7,007,116
Deferred Inflows of Resources:				
Unavailable revenues - property taxes	1,581,778	-	-	1,581,778
Unavailable revenues - other	608,403	-	607,643	1,216,046
Total Deferred Inflows of Resources	2,190,181	-	607,643	2,797,824
Fund Balances:				
Nonspendable	27,332	-	2,479,185	2,506,517
Restricted	64,377	8,801,540	8,039,262	16,905,179
Committed	1,613,867	-	-	1,613,867
Assigned	2,454,530	-	-	2,454,530
Unassigned	15,631,867	-	(1,095,340)	14,536,527
Total Fund Balances	19,791,973	8,801,540	9,423,107	38,016,620
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 28,535,326	\$ 8,855,556	\$ 10,430,678	\$ 47,821,560

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, 2021**

Total Governmental Fund Balances	\$ 38,016,620
Capital assets used in governmental activities in the statement of net position are not financial resources and, therefore, are not reported in the funds.	79,638,598
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.	2,797,824
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	26,444,350
Deferred outflows of resources - pensions	9,307,067
Deferred inflows of resources - other postemployment benefits	(848,054)
Deferred inflows of resources - pensions	<u>(10,235,894)</u>
Net effect of reporting deferred outflows and inflows of resources	24,667,469
Interest is accrued on outstanding long-term debt in the statement of net position but not in the funds until due.	(106,248)
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	(160,343,557)
Net pension liability	(22,264,921)
Compensated absences	(528,567)
Bonds and notes payable	<u>(17,350,000)</u>
Net effect of reporting long-term liabilities	<u>(200,487,045)</u>
Net Position — Governmental Activities	<u>\$ (55,472,782)</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, 2021**

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Revenues:				
Property taxes, net of tax refunds	\$ 62,500,275	\$ -	\$ -	\$ 62,500,275
Intergovernmental	39,269,593	-	9,475,680	48,745,273
Motor vehicle and other excise taxes	4,986,059	-	-	4,986,059
Licenses and permits	644,065	-	-	644,065
Penalties and interest on taxes	288,279	-	-	288,279
Fines and forfeitures	44,437	-	-	44,437
Departmental and other revenues	733,929	-	4,591,739	5,325,668
Contributions and donations	-	-	601,099	601,099
Investment income	45,120	-	177,427	222,547
Total Revenues	<u>108,511,757</u>	<u>-</u>	<u>14,845,945</u>	<u>123,357,702</u>
Expenditures:				
Current:				
General government	4,013,697	856,194	785,926	5,655,817
Public safety	11,076,049	771,402	3,582,748	15,430,199
Education	61,213,061	611,097	5,179,627	67,003,785
Public works	1,447,751	744,985	2,309,049	4,501,785
Health and human services	914,154	-	203,775	1,117,929
Culture and recreation	1,165,632	22,752	192,298	1,380,682
Pension and fringe benefits	14,462,149	-	-	14,462,149
State and county charges	5,270,613	-	-	5,270,613
Debt service:				
Principal	2,735,000	-	-	2,735,000
Interest	566,415	-	-	566,415
Total Expenditures	<u>102,864,521</u>	<u>3,006,430</u>	<u>12,253,423</u>	<u>118,124,374</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,647,236</u>	<u>(3,006,430)</u>	<u>2,592,522</u>	<u>5,233,328</u>
Other Financing Sources (Uses):				
Proceeds from general obligation bonds	-	3,675,000	-	3,675,000
Premium from issuance of general obligation bonds	-	367,778	-	367,778
Transfers in	1,869,807	296,423	-	2,166,230
Transfers out	(385,157)	-	(1,513,807)	(1,898,964)
Total Other Financing Sources (Uses)	<u>1,484,650</u>	<u>4,339,201</u>	<u>(1,513,807)</u>	<u>4,310,044</u>
Change in Fund Balances	7,131,886	1,332,771	1,078,715	9,543,372
Fund Balances:				
Beginning of the year (as restated; refer to Note V)	12,660,087	7,468,769	8,344,392	28,473,248
End of the year	<u>\$ 19,791,973</u>	<u>\$ 8,801,540</u>	<u>\$ 9,423,107</u>	<u>\$ 38,016,620</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, 2021**

Change in Fund Balances — Total Governmental Funds	\$	9,543,372
<p>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:</p>		
Capital asset additions	4,636,330	
Depreciation expense	<u>(4,668,077)</u>	
Net effect of reporting capital activity		(31,747)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		243,668
<p>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:</p>		
Issuance of long-term debt	(3,675,000)	
Repayments of long-term debt	<u>2,735,000</u>	
Net effect of reporting long-term debt activity		(940,000)
<p>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/expenditures in the governmental funds:</p>		
Net other postemployment benefits liability	(13,147,158)	
Net pension liability	(1,552,350)	
Compensated absences	(73,689)	
Accrued interest	<u>(6,328)</u>	
Net effect of reporting long-term liabilities		<u>(14,779,525)</u>
Change in Net Position — Governmental Activities	\$	<u>(5,964,232)</u>

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Business-Type Activities				Total
	Sewer	Water	Solid Waste	Electric Light (a)	
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 3,378,617	\$ 4,664,119	\$ 3,688,244	\$ 22,122,361	\$ 33,853,341
Investments	90,931	-	-	35,962,215	36,053,146
Receivables, net of allowances:					
User charges and other	1,587,008	1,737,681	531,696	2,184,541	6,040,926
Intergovernmental	13,147	-	-	13,399	26,546
Due from the Town of Plainville	304,018	-	-	-	304,018
Prepaid items	-	-	-	189,987	189,987
Inventories	-	-	-	1,167,619	1,167,619
Total Current Assets	5,373,721	6,401,800	4,219,940	61,640,122	77,635,583
Noncurrent Assets:					
Intergovernmental receivables	34,683	-	-	-	34,683
Due from the Town of Plainville	5,138,341	-	-	-	5,138,341
Net other postemployment benefits asset	-	-	-	1,042,846	1,042,846
Land	4,188	151,654	3,492	99,623	258,957
Construction in-progress	-	-	-	80,853	80,853
Depreciable capital assets, net	57,073,480	35,784,724	126,512	16,670,483	109,655,199
Total Noncurrent Assets	62,250,692	35,936,378	130,004	17,893,805	116,210,879
Total Assets	67,624,413	42,338,178	4,349,944	79,533,927	193,846,462
Deferred Outflows of Resources:					
Other postemployment benefits	78,177	93,965	32,724	93,801	298,667
Pensions	526,660	387,972	117,929	2,971,998	4,004,559
Total Deferred Outflows of Resources	604,837	481,937	150,653	3,065,799	4,303,226
Liabilities:					
Current Liabilities:					
Warrants and accounts payable	110,619	105,686	209,792	3,087,186	3,513,283
Accrued payroll and withholdings	35,663	40,253	13,223	-	89,139
Customer deposits and refunds payable	-	-	-	3,071,116	3,071,116
Accrued interest	44,407	48,325	3,623	3,375	99,730
Compensated absences	4,047	5,029	3,108	330,532	342,716
Post-closure landfill monitoring	-	-	92,500	-	92,500
Current portion of long-term debt	2,014,107	770,000	110,000	60,000	2,954,107
Total Current Liabilities	2,208,843	969,293	432,246	6,552,209	10,162,591
Noncurrent liabilities:					
Compensated absences	7,517	9,340	5,772	95,800	118,429
Customer deposits	-	-	-	1,020,735	1,020,735
Customer advances for construction	-	-	-	580,610	580,610
Post-closure landfill monitoring	-	-	1,461,000	-	1,461,000
Net other postemployment benefits liability	474,021	569,750	198,418	-	1,242,189
Net pension liability	1,137,008	893,764	285,664	4,904,594	7,221,030
Long-term debt	26,380,753	7,375,000	100,000	120,000	33,975,753
Total Noncurrent Liabilities	27,999,299	8,847,854	2,050,854	6,721,739	45,619,746
Total Liabilities	30,208,142	9,817,147	2,483,100	13,273,948	55,782,337
Deferred Inflows of Resources:					
Unavailable revenues - Town of Plainville	5,442,359	-	-	-	5,442,359
Unavailable revenues - rate stabilization reserve	-	-	-	8,734,256	8,734,256
Other postemployment benefits	2,508	3,013	1,049	777,536	784,106
Pensions	518,565	407,635	140,648	997,829	2,064,677
Total Deferred Inflows of Resources	5,963,432	410,648	141,697	10,509,621	17,025,398
Net Position:					
Net investment in capital assets	28,730,638	27,791,378	-	16,670,959	73,192,975
Restricted for depreciation	-	-	-	25,847,531	25,847,531
Restricted for insurance	-	-	-	1,906,200	1,906,200
Unrestricted	3,327,038	4,800,942	1,875,800	14,391,467	24,395,247
Total Net Position	\$ 32,057,676	\$ 32,592,320	\$ 1,875,800	\$ 58,816,157	\$ 125,341,953

(a) As of December 31, 2020.

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, 2021**

	Business-Type Activities				Total
	Sewer	Water	Solid Waste	Electric Light (a)	
Operating Revenues:					
Charges for services	\$ 4,209,848	\$ 4,181,757	\$ 2,915,716	\$ 27,980,778	\$ 39,288,099
Other operating revenues	486,235	175,565	-	295,692	957,492
Total Operating Revenues	4,696,083	4,357,322	2,915,716	28,276,470	40,245,591
Operating Expenses:					
Payroll and personnel costs	1,290,767	1,355,629	418,603	4,313,356	7,378,355
Operating costs	2,154,327	1,977,487	2,276,768	20,975,423	27,384,005
Depreciation	2,024,431	1,027,042	4,589	1,535,584	4,591,646
Total Operating Expenses	5,469,525	4,360,158	2,699,960	26,824,363	39,354,006
Operating (Loss) Income	(773,442)	(2,836)	215,756	1,452,107	891,585
Nonoperating Revenues (Expenses):					
Other nonoperating revenues (expenses)	-	-	-	2,764	2,764
Intergovernmental revenues	833,432	189,847	-	-	1,023,279
Investment income	1,356	1,304	6,328	1,993,364	2,002,352
Interest expenses	(627,941)	(251,244)	(12,754)	(32,053)	(923,992)
Total Nonoperating Revenues (Expenses)	206,847	(60,093)	(6,426)	1,964,075	2,104,403
(Loss) Income Before Transfers	(566,595)	(62,929)	209,330	3,416,182	2,995,988
Transfers:					
Transfers in	192,687	-	-	-	192,687
Transfers out	(103,953)	-	-	(356,000)	(459,953)
Total Transfers	88,734	-	-	(356,000)	(267,266)
Change in Net Position	(477,861)	(62,929)	209,330	3,060,182	2,728,722
Net Position:					
Beginning of the year	32,535,537	32,655,249	1,666,470	55,755,975	122,613,231
End of the year	<u>\$ 32,057,676</u>	<u>\$ 32,592,320</u>	<u>\$ 1,875,800</u>	<u>\$ 58,816,157</u>	<u>\$ 125,341,953</u>

(a) As of and for the year ended December 31, 2020.

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities				
	Sewer	Water	Solid Waste	Electric Light (a)	Total
Cash Flows from Operating Activities:					
Receipts from user charges	\$ 4,146,971	\$ 4,208,241	\$ 2,963,388	\$ 28,173,098	\$ 39,491,698
Receipts from other operating revenues	486,235	175,565	-	2,764	664,564
Payments to employees	(1,349,431)	(1,331,622)	(441,786)	(3,861,101)	(6,983,940)
Payments to vendors	(2,126,135)	(1,948,225)	(2,475,235)	(20,596,167)	(27,145,762)
Net Cash Provided By Operating Activities	1,157,640	1,103,959	46,367	3,718,594	6,026,560
Cash Flows from Noncapital Financial Activities:					
Transfers in	192,687	-	-	-	192,687
Transfers out	(103,953)	-	-	(356,000)	(459,953)
Net Cash Provided By (Used In) Noncapital Financing Activities	88,734	-	-	(356,000)	(267,266)
Cash Flows from Capital and Related Financing Activities:					
Customer advances for construction	-	-	-	345,858	345,858
Proceeds from capital grants	867,336	279,606	-	-	1,146,942
Acquisition and construction of capital assets	(150,908)	(1,715,614)	-	(2,973,503)	(4,840,025)
Principal repayments on long-term debt	(2,058,801)	860,012	(110,000)	(60,000)	(1,368,789)
Interest payments	(636,216)	(245,746)	(14,610)	(33,122)	(929,694)
Net Cash Used In Capital and Related Financing Activities	(1,978,589)	(821,742)	(124,610)	(2,720,767)	(5,645,708)
Cash Flow from Investing Activities:					
Investment income	1,356	1,304	6,328	596,289	605,277
Investment of operating cash	34,842	-	-	553,515	588,357
Net Cash Provided By Investing Activities	36,198	1,304	6,328	1,149,804	1,193,634
Net Change in Cash and Cash Equivalents	(696,017)	283,521	(71,915)	1,791,631	1,307,220
Cash and Cash Equivalents:					
Beginning of the year	4,074,634	4,380,598	3,760,159	20,330,730	32,546,121
End of the year	\$ 3,378,617	\$ 4,664,119	\$ 3,688,244	\$ 22,122,361	\$ 33,853,341
Reconciliation of Operating (Loss) Income to Net Cash Provided By Operating Activities:					
Operating (Loss) Income	\$ (773,442)	\$ (2,836)	\$ 215,756	\$ 1,452,107	\$ 891,585
Adjustments to Reconcile Operating (Loss) Income to Net Cash Provided By Operating Activities:					
Depreciation expense	2,024,431	1,027,042	4,589	1,535,584	4,591,646
Changes in assets, deferred outflows (inflows) of resources and liabilities:					
Receivables and other current assets	(62,877)	26,484	47,672	(372,869)	(361,590)
Warrants payable and other current liabilities	44,502	49,712	(98,837)	516,504	511,881
Accrued and deferred benefits payable	(74,974)	3,557	(122,813)	587,268	393,038
Net Cash Provided By Operating Activities	\$ 1,157,640	\$ 1,103,959	\$ 46,367	\$ 3,718,594	\$ 6,026,560

(a) As of and for the year ended December 31, 2020.

See accompanying notes to basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021**

	<u>Pension and Other Employee Benefit Trust Funds (a)</u>	<u>Private Purpose Trust Funds</u>
Assets:		
Cash and cash equivalents	\$ 6,083,913	\$ 131,813
Investments at fair value:		
Fixed income securities	2,274,681	211,815
Equity securities	34,134,164	-
Mutual funds	105,037,984	-
Other investments	13,770,264	-
Receivables	<u>3,946</u>	<u>-</u>
Total Assets	<u>161,304,952</u>	<u>343,628</u>
Liabilities:		
Warrants and accounts payable	<u>52,953</u>	<u>-</u>
Total Liabilities	<u>52,953</u>	<u>-</u>
Net Position:		
Restricted for pensions	149,253,888	-
Restricted for other postemployment benefits	11,998,111	-
Held in trust for private purposes	<u>-</u>	<u>343,628</u>
Total Net Position	<u>\$ 161,251,999</u>	<u>\$ 343,628</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, 2021**

	<u>Pension and Other Employee Benefit Trust Funds (a)</u>	<u>Private Purpose Trust Funds</u>
Additions:		
Employer contributions	\$ 10,605,293	\$ -
Employee contributions	2,869,072	-
Other contributions	<u>365,306</u>	<u>136,683</u>
Total contributions	<u>13,839,671</u>	<u>136,683</u>
Investment income:		
Interest and dividends	1,519,840	10,660
Net change in fair value of investments	20,063,362	34,785
Less investment management fees	<u>(858,059)</u>	<u>(2,371)</u>
Total net investment income	<u>20,725,143</u>	<u>43,074</u>
Other income	<u>-</u>	<u>-</u>
Total Additions	<u>34,564,814</u>	<u>179,757</u>
Deductions:		
Benefits and refunds to Plan members:		
Benefits to retirees and survivors	14,461,405	-
Member refunds	317,668	-
Transfers and reimbursements to other systems	425,015	-
Administrative expenses:		
Operations payroll and related personnel costs	164,051	-
Other administrative expenses	105,862	-
Public assistance	<u>-</u>	<u>525,691</u>
Total Deductions	<u>15,474,001</u>	<u>525,691</u>
Change in Net Position	19,090,813	(345,934)
Net Position:		
Beginning of the year	<u>142,161,186</u>	<u>689,562</u>
End of the year	<u>\$ 161,251,999</u>	<u>\$ 343,628</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, 2021

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 water, sewer, landfill/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, 2020 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, 2020 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 2021, 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. For the most part, the effect of 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 is 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.

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 non-operating revenues and expenses.

The Town reports its sewer, water, solid waste 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 accompanying basic financial statements under the applicable governmental and business-type activities. 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 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 represent 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 on 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 comprised of unsecured bank deposits. At June 30, 2021, the Town maintained approximately \$9.7 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, 2021 (inclusive of investments held by the Electric Department, which are as of December 31, 2020):

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt securities:				
U.S. Treasury notes	\$ 8,015,908	\$ 8,015,908	\$ -	\$ -
U.S. Governmental agency obligations	2,085,484	-	2,085,484	-
Corporate bonds	36,137,844	-	36,137,844	-
Total debt securities	46,239,236	8,015,908	38,223,328	-
Equity securities:				
Mutual funds	1,569,073	1,569,073	-	-
Total investments measured at fair value	56,276,214	\$ 18,052,886	\$ 38,223,328	\$ -
Investments measured at amortized cost:				
MMDT	4,070,808			
Total investments	\$ 60,347,022			

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, 2021 (inclusive of investments held by the Electric Department, which are as of December 31, 2020):

Investment Type	Fair Value	Time Until Maturity (in years)		
		Less than 1	1 to 5	6 to 10
U.S. government and agency obligations	\$ 10,101,392	\$ 2,366,330	\$ 7,635,530	\$ 99,532
Corporate fixed income securities	36,137,844	325,145	35,812,699	-
Total investments with maturities	46,239,236	\$ 2,691,475	\$ 43,448,229	\$ 99,532
Other Investments:				
Equity securities	1,569,073			
Mutual funds	8,467,905			
MMDT	4,070,808			
Total Town investments	\$ 60,347,022			

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, 2021, approximately 17% of the Town’s investments were in the form of U.S. Treasury notes or other U.S. governmental agency obligations and 7% was invested with the MMDT. 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, 2020)

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, 2020:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Equity Securities	\$ 33,671,468	\$ 33,671,468	\$ -	\$ -
Mutual Funds:				
Domestic equity mutual funds	47,332,420	15,732,686	31,599,734	-
International equity mutual funds	7,855,538	7,855,538	-	-
Fixed income mutual funds	<u>27,689,056</u>	<u>9,532,320</u>	<u>18,156,736</u>	-
Total investments measured at fair value	<u>116,548,482</u>	<u>\$ 66,792,012</u>	<u>\$ 49,756,470</u>	<u>\$ -</u>
Investments measured at NAV:				
Mutual funds	13,968,529			
Private equity funds	<u>13,770,264</u>			
Total investments	<u>\$ 144,287,275</u>			
Investments Measured at NAV by Asset Class	Fair Value	Unfunded Commitments		
Mutual funds	\$ 13,968,529	\$ -		
Private equity funds	<u>13,770,264</u>	<u>1,914,000</u>		
	<u>\$ 27,738,793</u>	<u>\$ 1,914,000</u>		

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, 2020. 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, 2020:

Rhumblin Core Bond Fund	12.6%
Rhumblin S&P 500 Fund	11.3%
Aristole Value Equity Fund	10.9%
Loomis, Sayles & Company Large Cap Growth Fund	10.6%
Brandes Core Fixed Income Fund	6.6%
Vontobel Internal Equity Fund	5.5%
Lazard International Strategic Equity Portfolio	5.4%

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, 2021 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	\$ 1,074,394	\$ -	\$ 1,074,394
Personal property taxes	170,421	(99,000)	71,421
Tax liens	753,883	-	753,883
Motor vehicle and other excise taxes	1,023,403	(415,000)	608,403
Departmental and other	2,921,643	(2,314,000)	607,643
Intergovernmental	<u>2,486,776</u>	<u>-</u>	<u>2,486,776</u>
	<u>\$ 8,430,520</u>	<u>\$ (2,828,000)</u>	<u>\$ 5,602,520</u>

Receivables as of June 30, 2021 for the Town’s proprietary funds (the Electric Department’s balances are as of December 31, 2020) were as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Sewer user charges	\$ 1,587,008	\$ -	\$ 1,587,008
Water user charges	1,737,681	-	1,737,681
Solid waste user charges	531,696	-	531,696
Electric Light user charges	2,527,541	(343,000)	2,184,541
Due from Plainville	5,442,359	-	5,442,359
Due from MCWT	47,830	-	47,830
Other intergovernmental	<u>13,399</u>	<u>-</u>	<u>13,399</u>
	<u>\$ 11,887,514</u>	<u>\$ (343,000)</u>	<u>\$ 11,544,514</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	\$ 827,895	\$ -	\$ 827,895
Tax liens	753,883	-	753,883
Motor vehicle and other excise taxes	608,403	-	608,403
Departmental and other	<u>-</u>	<u>607,643</u>	<u>607,643</u>
	<u>\$ 2,190,181</u>	<u>\$ 2,860,387</u>	<u>\$ 5,050,568</u>

The sewer enterprise reports unavailable revenues in the amount of \$5,442,359 in its statement of net position relative to an intermunicipal agreement with the Town of Plainville at June 30, 2021. 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.

MCWT Loan Subsidies – The Town recorded \$47,830 as intergovernmental receivable in its sewer enterprise fund at June 30, 2021 related to MCWT loan subsidies. This amount represents future debt principal subsidies the Town will receive from the MCWT through fiscal year 2025.

C. Interfund Transfers

The composition of interfund transfers for the fiscal year ended June 30, 2021 was as follows:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>	
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Enterprise Funds</u>		
General fund	\$ -	\$ 192,470	\$ 192,687	\$ 385,157	(1)
Nonmajor governmental funds	1,513,807	-	-	1,513,807	(2)
Enterprise funds	<u>356,000</u>	<u>103,953</u>	<u>-</u>	<u>459,953</u>	(3)
	<u>\$ 1,869,807</u>	<u>\$ 296,423</u>	<u>\$ 192,687</u>	<u>\$ 2,358,917</u>	

- (1) General fund to capital projects for articles funded through free cash and debt service paid by the general fund for sewer enterprises.
- (2) Primarily ambulance receipts reserved to general fund (\$1,475,338).
- (3) The Electric Department transferred \$356,000 to general fund in lieu of taxes and the sewer fund financed a portion of the purchase of governmental activities capital additions.

D. Capital Assets

Capital asset activity for the year ended June 30, 2021 (the Electric Department's activity is for the year ended December 31, 2020) 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	\$ 8,968,548	\$ -	\$ -	\$ 8,968,548
Capital assets being depreciated:				
Buildings and improvements	76,785,648	248,816	-	77,034,464
Infrastructure	73,273,808	1,849,051	-	75,122,859
Machinery and equipment	18,156,330	2,377,171	(44,576)	20,488,925
Vehicles	<u>3,734,822</u>	<u>161,292</u>	<u>(330,515)</u>	<u>3,565,599</u>
Total capital assets being depreciated	<u>171,950,608</u>	<u>4,636,330</u>	<u>(375,091)</u>	<u>176,211,847</u>
Less accumulated depreciation for:				
Buildings and improvements	(42,248,260)	(1,714,682)	-	(43,962,942)
Infrastructure	(42,567,476)	(1,488,734)	-	(44,056,210)
Machinery and equipment	(13,703,744)	(1,138,256)	44,576	(14,797,424)
Vehicles	<u>(2,729,331)</u>	<u>(326,405)</u>	<u>330,515</u>	<u>(2,725,221)</u>
Total accumulated depreciation	<u>(101,248,811)</u>	<u>(4,668,077)</u>	<u>375,091</u>	<u>(105,541,797)</u>
Total capital assets being depreciated, net	<u>70,701,797</u>	<u>(31,747)</u>	<u>-</u>	<u>70,670,050</u>
Total governmental activities capital assets, net	<u>\$ 79,670,345</u>	<u>\$ (31,747)</u>	<u>\$ -</u>	<u>\$ 79,638,598</u>
<i><u>Business-Type Activities: Combined</u></i>				
Capital assets not being depreciated:				
Land	\$ 258,957	\$ -	\$ -	\$ 258,957
Construction in-progress	<u>892,429</u>	<u>79,344</u>	<u>(890,920)</u>	<u>80,853</u>
Total capital assets not being depreciated	<u>1,151,386</u>	<u>79,344</u>	<u>(890,920)</u>	<u>339,810</u>
Capital assets being depreciated:				
Electric plant	51,186,142	3,785,079	(198,825)	54,772,396
Buildings and improvements	3,678,938	-	-	3,678,938
Infrastructure	153,451,206	1,838,946	-	155,290,152
Machinery and equipment	4,843,275	-	-	4,843,275
Vehicles	<u>1,044,892</u>	<u>27,575</u>	<u>-</u>	<u>1,072,467</u>
Total capital assets being depreciated	<u>214,204,453</u>	<u>5,651,600</u>	<u>(198,825)</u>	<u>219,657,228</u>
Less accumulated depreciation for:				
Electric plant	(36,765,154)	(1,535,584)	198,825	(38,101,913)
Buildings and improvements	(1,355,330)	(108,767)	-	(1,464,097)
Infrastructure	(63,045,599)	(2,637,165)	-	(65,682,764)
Machinery and equipment	(3,613,633)	(234,324)	-	(3,847,957)
Vehicles	<u>(829,493)</u>	<u>(75,805)</u>	<u>-</u>	<u>(905,298)</u>
Total accumulated depreciation	<u>(105,609,209)</u>	<u>(4,591,645)</u>	<u>198,825</u>	<u>(110,002,029)</u>
Total capital assets being depreciated, net	<u>108,595,244</u>	<u>1,059,955</u>	<u>-</u>	<u>109,655,199</u>
Total business-type activities capital assets, net	<u>\$ 109,746,630</u>	<u>\$ 1,139,299</u>	<u>\$ (890,920)</u>	<u>\$ 109,995,009</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	-	-	2,061,335
Infrastructure	100,258,129	150,908	-	100,409,037
Machinery and equipment	1,134,918	-	-	1,134,918
Vehicles	333,145	-	-	333,145
Total capital assets being depreciated	<u>103,787,527</u>	<u>150,908</u>	<u>-</u>	<u>103,938,435</u>
Less accumulated depreciation for:				
Buildings and improvements	(759,329)	(67,563)	-	(826,892)
Infrastructure	(42,951,410)	(1,878,139)	-	(44,829,549)
Machinery and equipment	(830,138)	(57,498)	-	(887,636)
Vehicles	(299,647)	(21,231)	-	(320,878)
Total accumulated depreciation	<u>(44,840,524)</u>	<u>(2,024,431)</u>	<u>-</u>	<u>(46,864,955)</u>
Total capital assets being depreciated, net	<u>58,947,003</u>	<u>(1,873,523)</u>	<u>-</u>	<u>57,073,480</u>
Total sewer capital assets, net	<u>\$ 58,951,191</u>	<u>\$ (1,873,523)</u>	<u>\$ -</u>	<u>\$ 57,077,668</u>
<i>Business-Type Activities: Water</i>				
Capital assets not being depreciated:				
Land	\$ 151,654	\$ -	\$ -	\$ 151,654
Capital assets being depreciated:				
Buildings and improvements	1,438,667	-	-	1,438,667
Infrastructure	53,193,077	1,688,038	-	54,881,115
Machinery and equipment	3,708,357	-	-	3,708,357
Vehicles	688,476	27,575	-	716,051
Total capital assets being depreciated	<u>59,028,577</u>	<u>1,715,613</u>	<u>-</u>	<u>60,744,190</u>
Less accumulated depreciation for:				
Buildings and improvements	(547,778)	(37,003)	-	(584,781)
Infrastructure	(20,094,189)	(759,026)	-	(20,853,215)
Machinery and equipment	(2,783,495)	(176,826)	-	(2,960,321)
Vehicles	(506,963)	(54,186)	-	(561,149)
Total accumulated depreciation	<u>(23,932,425)</u>	<u>(1,027,041)</u>	<u>-</u>	<u>(24,959,466)</u>
Total capital assets being depreciated, net	<u>35,096,152</u>	<u>688,572</u>	<u>-</u>	<u>35,784,724</u>
Total water capital assets, net	<u>\$ 35,247,806</u>	<u>\$ 688,572</u>	<u>\$ -</u>	<u>\$ 35,936,378</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	178,936	-	-	178,936
Vehicles	23,271	-	-	23,271
Total capital assets being depreciated	<u>202,207</u>	<u>-</u>	<u>-</u>	<u>202,207</u>
Less accumulated depreciation for:				
Buildings and improvements	(48,223)	(4,201)	-	(52,424)
Vehicles	(22,883)	(388)	-	(23,271)
Total accumulated depreciation	<u>(71,106)</u>	<u>(4,589)</u>	<u>-</u>	<u>(75,695)</u>
Total capital assets being depreciated, net	<u>131,101</u>	<u>(4,589)</u>	<u>-</u>	<u>126,512</u>
Total solid waste capital assets, net	<u>\$ 134,593</u>	<u>\$ (4,589)</u>	<u>\$ -</u>	<u>\$ 130,004</u>
<i>Business-Type Activities: Electric Light</i>				
Capital assets not being depreciated:				
Land	\$ 99,623	\$ -	\$ -	\$ 99,623
Construction in-progress	892,429	79,344	(890,920)	80,853
Total capital assets not being depreciated	<u>992,052</u>	<u>79,344</u>	<u>(890,920)</u>	<u>180,476</u>
Capital assets being depreciated:				
Distribution plant	39,648,710	708,922	(191,551)	40,166,081
General plant	11,537,432	3,076,157	(7,274)	14,606,315
Total capital assets being depreciated	<u>51,186,142</u>	<u>3,785,079</u>	<u>(198,825)</u>	<u>54,772,396</u>
Less accumulated depreciation for:				
Distribution plant	(27,245,067)	(1,306,927)	191,551	(28,360,443)
General plant	(9,520,087)	(228,657)	7,274	(9,741,470)
Total accumulated depreciation	<u>(36,765,154)</u>	<u>(1,535,584)</u>	<u>198,825</u>	<u>(38,101,913)</u>
Total capital assets being depreciated, net	<u>14,420,988</u>	<u>2,249,495</u>	<u>-</u>	<u>16,670,483</u>
Total Electric Light capital assets, net	<u>\$ 15,413,040</u>	<u>\$ 2,328,839</u>	<u>\$ (890,920)</u>	<u>\$ 16,850,959</u>

(concluded)

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

General government	\$ 187,483
Public safety	670,141
Education	2,056,806
Public works	1,676,374
Culture and recreation	<u>77,273</u>
	<u>\$ 4,668,077</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 \$2,621,711 at December 31, 2020.

The Electric Department also has deposits with the MMWEC in the amount of \$80,317 at December 31, 2020.

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 (“BANS”) 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, 2021:

<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>
BAN	1.29%	matured	\$ 205,795	\$ -	\$ (205,795)	\$ -

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, 2020) 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	\$ 16,410,000	\$ 3,675,000	\$ (2,735,000)	\$ 17,350,000	\$ 2,875,000
Compensated absences	454,878	116,000	(42,311)	528,567	184,998
Net OPEB liability	140,020,851	46,265,659	(25,942,953)	160,343,557	-
Net pension liability	30,105,012	20,426,479	(28,266,570)	22,264,921	-
Total Governmental Activities	\$ 186,990,741	\$ 70,483,138	\$ (56,986,834)	\$ 200,487,045	\$ 3,059,998
<i>Business-Type Activities - Sewer:</i>					
General obligation bonds	\$ 6,425,000	\$ -	\$ (775,000)	\$ 5,650,000	\$ 780,000
Direct borrowings and placements	24,028,661	-	(1,283,801)	22,744,860	1,234,107
Compensated absences	11,918	-	(354)	11,564	4,047
Net OPEB liability	660,703	260,554	(447,236)	474,021	-
Net pension liability	1,478,729	1,095,984	(1,437,705)	1,137,008	-
Total Sewer	32,605,011	1,356,538	(3,944,096)	30,017,453	2,018,154
<i>Business-Type Activities - Water:</i>					
General obligation bonds	7,005,000	1,845,000	(705,000)	8,145,000	770,000
Direct borrowings and placements	279,988	-	(279,988)	-	-
Compensated absences	17,332	-	(2,963)	14,369	5,029
Net OPEB liability	625,198	267,206	(322,654)	569,750	-
Net pension liability	1,184,535	831,427	(1,122,198)	893,764	-
Total Water	9,112,053	2,943,633	(2,432,803)	9,622,883	775,029
<i>Business-Type Activities - Solid Waste:</i>					
General obligation bonds	320,000	-	(110,000)	210,000	110,000
Post-closure landfill monitoring	1,646,000	-	(92,500)	1,553,500	92,500
Compensated absences	7,283	1,597	-	8,880	3,108
Net OPEB liability	247,427	102,401	(151,410)	198,418	-
Net pension liability	410,326	260,155	(384,817)	285,664	-
Total Solid Waste	2,631,036	364,153	(738,727)	2,256,462	205,608
<i>Business-Type Activities - Electric Light:</i>					
General obligation bonds	240,000	-	(60,000)	180,000	60,000
Customer deposits	993,612	27,123	-	1,020,735	-
Customer advances for construction	234,752	345,858	-	580,610	-
Compensated absences	354,920	71,412	-	426,332	330,532
Net OPEB liability (asset)	(557,197)	568,759	(1,054,408)	(1,042,846)	-
Net pension liability	5,303,500	4,636,465	(5,035,371)	4,904,594	-
Total Electric Light	6,569,587	5,649,617	(6,149,779)	6,069,425	390,532
Total Business-Type Activities	\$ 50,917,687	\$ 10,313,941	\$ (13,265,405)	\$ 47,966,223	\$ 3,389,323

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, 2021 (December 31, 2020 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%	<u>\$ 16,410,000</u>	<u>\$ 3,675,000</u>	<u>\$ (2,735,000)</u>	<u>\$ 17,350,000</u>
<i>Business-Type Activities - Sewer:</i>					
General obligation bonds	2.00 - 5.00%	\$ 6,425,000	\$ -	\$ (775,000)	\$ 5,650,000
MCWT notes	2.00%	<u>24,028,661</u>	<u>-</u>	<u>(1,283,801)</u>	<u>22,744,860</u>
Total Sewer		<u>30,453,661</u>	<u>-</u>	<u>(2,058,801)</u>	<u>28,394,860</u>
<i>Business-Type Activities - Water:</i>					
General obligation bonds	2.00 - 5.00%	7,005,000	1,845,000	(705,000)	8,145,000
MCWT notes	2.97%	<u>279,988</u>	<u>-</u>	<u>(279,988)</u>	<u>-</u>
Total Water		<u>7,284,988</u>	<u>1,845,000</u>	<u>(984,988)</u>	<u>8,145,000</u>
<i>Business-Type Activities - Solid Waste:</i>					
General obligation bonds	2.50 - 5.00%	<u>320,000</u>	<u>-</u>	<u>(110,000)</u>	<u>210,000</u>
<i>Business-Type Activities - Electric Light:</i>					
General obligation bonds	2.50 - 5.00%	<u>240,000</u>	<u>-</u>	<u>(60,000)</u>	<u>180,000</u>
Total Business-Type Activities		<u>\$ 38,298,649</u>	<u>\$ 1,845,000</u>	<u>\$ (3,213,789)</u>	<u>\$ 36,929,860</u>

Debt service requirements on long-term debt at June 30, 2021 are as follows:

Year Ending June 30,	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2022	\$ 2,875,000	\$ 589,231
2023	2,495,000	479,127
2024	1,815,000	380,826
2025	1,505,000	311,799
2026	1,370,000	257,744
2027 - 2031	4,670,000	713,471
2032 - 2036	2,130,000	189,645
2037 - 2041	<u>490,000</u>	<u>28,387</u>
Total	<u>\$ 17,350,000</u>	<u>\$ 2,950,230</u>

Business-Type Activities: Combined				
Year Ending June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2022	\$ 1,720,000	\$ 483,015	\$ 1,234,107	\$ 325,407
2023	1,690,000	407,642	1,249,935	300,199
2024	1,395,000	341,315	1,235,952	275,188
2025	1,305,000	285,372	1,169,014	255,715
2026	1,245,000	236,879	1,097,452	239,602
2027 - 2031	3,970,000	709,986	4,647,780	991,711
2032 - 2036	1,905,000	280,837	4,486,349	675,947
2037 - 2041	955,000	54,039	4,846,065	339,247
2042 - 2045	-	-	2,778,206	31,490
	<u>\$ 14,185,000</u>	<u>\$ 2,799,085</u>	<u>\$ 22,744,860</u>	<u>\$ 3,434,506</u>

Business-Type Activities: Sewer				
Year Ending June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2022	\$ 780,000	\$ 193,116	\$ 1,234,107	\$ 325,407
2023	765,000	161,883	1,249,935	300,199
2024	620,000	131,143	1,235,952	275,188
2025	600,000	107,305	1,169,014	255,715
2026	600,000	85,215	1,097,452	239,602
2027 - 2031	1,475,000	237,205	4,647,780	991,711
2032 - 2036	595,000	81,925	4,486,349	675,947
2037 - 2041	215,000	12,000	4,846,065	339,247
2042 - 2045	-	-	2,778,206	31,490
	<u>\$ 5,650,000</u>	<u>\$ 1,009,792</u>	<u>\$ 22,744,860</u>	<u>\$ 3,434,506</u>

Business-Type Activities: Water				
Year Ending June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2022	\$ 770,000	\$ 271,239	\$ -	\$ -
2023	765,000	235,159	-	-
2024	715,000	207,172	-	-
2025	705,000	178,067	-	-
2026	645,000	151,664	-	-
2027 - 2031	2,495,000	472,781	-	-
2032 - 2036	1,310,000	198,912	-	-
2037 - 2041	740,000	42,039	-	-
	<u>\$ 8,145,000</u>	<u>\$ 1,757,033</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

Business-Type Activities: Solid Waste				
Year Ending June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2022	\$ 110,000	\$ 9,660	\$ -	\$ -
2023	100,000	4,600	-	-
	<u>\$ 210,000</u>	<u>\$ 14,260</u>	<u>\$ -</u>	<u>\$ -</u>

Business-Type Activities: Electric Light				
Year Ending June 30,	General Obligation Bonds		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2022	\$ 60,000	\$ 9,000	\$ -	\$ -
2023	60,000	6,000	-	-
2024	60,000	3,000	-	-
	<u>\$ 180,000</u>	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ -</u>

(concluded)

Authorized and unissued debt at June 30, 2021 included:

Project	Amount
Sewer related items	\$ 3,220,000
Education related items	2,225,000
Water related items	2,115,000
Fire ladder and fire engine replacement	2,075,000
Town wide radio and telephone systems	1,500,000
Public works equipment	650,000
Land acquisition	400,000
Other governmental purposes	670,000
	<u>\$ 12,855,000</u>

H. Fund Balances

The components of fund balances as listed in aggregate in the governmental funds balance sheet at June 30, 2021 are as follows:

	General Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Nonexpendable permanent funds	\$ -	\$ -	\$ 2,479,185	\$ 2,479,185
Inventory	27,332	-	-	27,332
Restricted:				
Expendable permanent funds	-	-	896,606	896,606
Debt service reserve	64,377	-	-	64,377
Capital projects	-	8,801,540	-	8,801,540
Federal and state grants	-	-	2,039,224	2,039,224
Receipts reserved for appropriation	-	-	2,180,660	2,180,660
Revolving funds	-	-	2,922,772	2,922,772
Committed:				
Capital stabilization	1,613,867	-	-	1,613,867
Assigned:				
Education	238,515	-	-	238,515
Other purposes	227,015	-	-	227,015
Subsequent year budget	1,989,000	-	-	1,989,000
Unassigned:				
Unrestricted	8,077,777	-	(1,095,340)	6,982,437
General stabilization	7,457,860	-	-	7,457,860
Betterment stabilization	96,230	-	-	96,230
	<u>\$ 19,791,973</u>	<u>\$ 8,801,540</u>	<u>\$ 9,423,107</u>	<u>\$ 38,016,620</u>

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 the capital stabilization funds as a committed fund balance in its general funds, while the general and betterment stabilization funds are reported 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 \$465,530 of encumbrances from normal purchasing activity in the general fund as assigned. There are no encumbrances reported in any other fund.

I. Excess of Expenditures Over Appropriations and Deficits

During the fiscal year ended June 30, 2021, the Town's expenditures for state and county charges exceeded appropriations by \$250,094. This deficit will be raised in the subsequent year's tax recapitulation process.

The Town reported \$1,095,340 in deficits in its nonmajor governmental funds at June 30, 2021. These deficits were entirely related to federal and state corona virus relief expenditures in which the Town had not yet been reimbursed by the Commonwealth or FEMA by June 30, 2021. The Town expects these deficits will be cured through future intergovernmental receipts.

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, 2020 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, 2020:

Active members	545
Inactive members entitled to, but not receiving benefits	280
Retirees and beneficiaries currently receiving benefits	<u>320</u>
	<u>1,145</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 amount 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 \$4,113,374 to the Retirement System in fiscal year 2021, which equaled its actuarially-determined contribution requirement for the fiscal year. Contributions as a percentage of covered payroll was approximately 16% in fiscal year 2021.

Net Pension Liability – At June 30, 2021, the Town reported a liability of \$29,485,951 for its proportionate share of the net pension liability. The net pension liability reported by the Retirement System for the Town at December 31, 2020 (used for fiscal year-end June 30, 2021) is \$27,896,207. 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, 2020 and rolled forward to December 31, 2020, 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 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 98.6% at December 31, 2020, which was consistent with its proportionate share at December 31, 2019.

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, 2020, which can be obtained by contacting the Retirement Board.

The Retirement System’s fiduciary net position was determined using the accrual basis of accounting. The Retirement System’s accounting records are maintained on a calendar-year basis in accordance with the standards and procedures established by PERAC. Contributions from employers and employees are recognized in the period in which they become due pursuant to formal commitments, statutory or contractual requirements. Benefit payments (including refunds of employee contributions) are recorded when incurred, regardless of the timing of payment. Investments are reported at fair value; fair value is determined as the price one would receive in an orderly transaction between market participants at a measurement date.

Pension Expense – The Town recognized approximately \$6.6 million in pension expense in the statement of activities in fiscal year 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,145,808	\$ 56,860
Changes of assumptions	7,315,178	-
Net difference between projected and actual earnings on pension plan investments	-	12,128,853
Changes in proportion and differences between Town contributions and proportionate share of contributions	361,856	114,858
Contributions subsequent to the measurement date	488,784	-
	<u>\$ 13,311,626</u>	<u>\$ 12,300,571</u>

The deferred outflows of resources and deferred inflows of resources are expected to be recognized into pension expense as follows:

<u>Year ended June 30,</u>	
2022	\$ 3,833,590
2023	2,785,217
2024	(3,592,663)
2025	(2,015,089)
	<u>\$ 1,011,055</u>

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, 2020 and rolled forward to December 31, 2020. 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	7.25% per annum
Projected salary increases	3.0% 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-2019 Disabled: Pub-2010 General Disabled Retiree Amount-Weighted Mortality Tables projected generationally using Scale MP-2019
Group 4 mortality rates	Healthy: Pub-2010 Safety Employee, Healthy Retiree and Contingent Survivor Amount-Weighted Mortality Tables projected generationally using Scale MP-2019 Disabled: Pub-2010 General Disabled Retiree Amount-Weighted Mortality Table projected generationally using Scale MP-2019

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, 2020 are summarized in the following table:

Asset Class	Target Policy Range	Long-Term Expected Rate of Return
Domestic equity	50.0%	6.2%
International equity	15.0%	6.78% to 8.65%
Fixed income	20.0%	1.1% to 3.5%
Real estate	10.0%	4.3%
Infrastructure	5.0%	5.5%

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. 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 discount rate of 7.25% 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
7.25%	\$ 50,699,203	\$ 29,485,951	\$ 11,818,561

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 under GAAP.

For the year ended June 30, 2021, the Commonwealth contributed \$6,504,051 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 0.42%, 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 at June 30, 2021 was \$119,514,087. The pension expense assumed by the Commonwealth on behalf of the Town for fiscal year 2021 was \$14,761,702. The Town recognized \$14,761,702 in intergovernmental revenue and pension expense relative to this arrangement.

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 issue 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, 2021 (December 31, 2020 in the case of the Electric Department):

	Town	Electric Department
Inactive employees or beneficiaries receiving benefits	726	38
Active employees	<u>918</u>	<u>36</u>
	<u>1,644</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, 2021, the Town’s average contribution rate was approximately 10% of covered payroll.

Net OPEB Liability – The Town’s net OPEB liability was measured as of June 30, 2021 using an actuarial valuation as of July 1, 2019. The Electric Department’s net OPEB liability was measured as of December 31, 2020 using an actuarial valuation as of January 1, 2020. The components of the net OPEB liability reported by the Town at June 30, 2021 and Electric Department at December 31, 2020 were as follows:

	Town	Electric Department
Total OPEB liability	\$ 166,842,521	\$ 5,698,490
Plan fiduciary net position	<u>(5,256,775)</u>	<u>(6,741,336)</u>
Net OPEB liability (asset)	<u>\$ 161,585,746</u>	<u>\$ (1,042,846)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.2%	118.3%

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:

	Town
Valuation date	July 1, 2019
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value at June 30, 2021
Inflation	2.5% per annum
Single equivalent discount rate	4.75%, net of OPEB Plan investment expense (previously 5.5%)
Healthcare cost trend	4.5% per annum
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 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 Annuitants (White Collar Mortality Table for teachers) projected generationally with scale MP-2016, set forward 1 year for females (for non-teachers only)
	Electric Department
Valuation date	January 1, 2020
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value at December 31, 2020
Inflation	2.5% per annum
Single equivalent discount rate	6.00%, net of OPEB Plan investment expense (previously 6.25%)
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 Annuitants projected generationally with scale MP-2016, set forward 1 year for females
Disabled mortality	RP-2014 Mortality Table for Blue Collar 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 OPEB Plan		Electric Department OPEB	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity - large cap	24.50%	4.90%	47.50%	4.90%
Domestic equity - small/mid cap	19.50%	5.40%	9.50%	5.40%
International equity - developed markets	11.75%	6.32%	5.00%	5.32%
International equity - emerging markets	6.25%	6.26%	0.00%	n/a
Domestic fixed income	21.00%	1.40%	33.75%	1.40%
International fixed income	4.00%	1.30%	0.00%	n/a
Alternatives	9.50%	6.32%	0.00%	n/a
Real estate	3.00%	6.25%		
Cash and cash equivalents	<u>0.50%</u>	<u>0.00%</u>	<u>4.25%</u>	<u>0.00%</u>
	<u>100.00%</u>		<u>100.00%</u>	
Real rate of return		4.40%		3.58%
Inflation assumption		<u>2.50%</u>		<u>2.50%</u>
Total nominal rate of return		6.90%		6.08%
Investment expense		<u>0.25%</u>		<u>0.25%</u>
Net investment return		<u>6.65%</u>		<u>5.83%</u>

Town Discount Rate – The discount rate used to measure the Town’s total OPEB liability was 4.75% (previously 5.5%). The discount rate reflects a blend of the expected net investment return for funded periods (6.65%) and the twenty-year municipal bond index rate of return of 2.18% for unfunded periods.

Electric Department Discount Rate – The discount rate used to measure the total OPEB liability was 6.0% at December 31, 2020 (previously 6.25%), 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, 2021 (the Electric Department’s activity is for the year ended December 31, 2020):

	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	\$ 145,096,220	\$ 3,542,041	\$ 141,554,179
Changes for the year:			
Service cost	3,472,561	-	3,472,561
Interest	8,017,407	-	8,017,407
Changes in assumptions	15,927,746	-	15,927,746
Employer contributions	-	6,434,783	(6,434,783)
Net investment income	-	951,364	(951,364)
Benefit payments	(5,671,413)	(5,671,413)	-
Net changes	<u>21,746,301</u>	<u>1,714,734</u>	<u>20,031,567</u>
Balances — end of year	<u>\$ 166,842,521</u>	<u>\$ 5,256,775</u>	<u>\$ 161,585,746</u>

	Electric Department OPEB Plan		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	<i>(a)</i>	<i>(b)</i>	<i>(a) - (b)</i>
Balances — beginning of year	\$ 5,340,868	\$ 5,898,065	\$ (557,197)
Changes for the year:			
Service cost	122,509	-	122,509
Interest	334,785	-	334,785
Changes in assumptions	66,199	-	66,199
Experience differences	51,052	-	51,052
Employer contributions	-	216,923	(216,923)
Net investment income	-	843,271	(843,271)
Benefit payments	(216,923)	(216,923)	-
Net changes	<u>357,622</u>	<u>843,271</u>	<u>(485,649)</u>
Balances — end of year	<u>\$ 5,698,490</u>	<u>\$ 6,741,336</u>	<u>\$ (1,042,846)</u>

Sensitivity Analyses – The following presents the Town’s and Electric Department’s net OPEB liability (asset) as well as what the Town’s and Electric Department’s net OPEB liability (asset) 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 (Asset) At		
		1% Decrease	Current Rate	1% Increase
Town of North Attleborough	4.75%	\$ 187,805,532	\$ 161,585,746	\$ 140,518,801
Electric Department	6.00%	(296,081)	(1,042,846)	(1,705,254)

The following presents the Town’s and Electric Department’s net OPEB liability (asset) as well as what the Town’s and Electric Department’s net OPEB liability (asset) 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 (Asset) At		
		1% Decrease	Current Rate	1% Increase
Town of North Attleborough	4.50%	\$ 138,269,011	\$ 161,585,746	\$ 191,205,726
Electric Department	4.50%	(1,782,835)	(1,042,846)	(133,522)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2021 (the Electric Department’s activity is for the year ended December 31, 2020), the Town recognized OPEB expense of approximately \$19.3 million and the Electric Department recognized an OPEB benefit of approximately \$60,000. Combined deferred outflows and inflows of resources related to OPEB at June 30, 2021 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,842	\$ 468,830
Changes of assumptions	26,702,175	114,236
Net difference between projected and actual earnings on OPEB plan investments	-	1,049,094
	<u>\$ 26,743,017</u>	<u>\$ 1,632,160</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>	
2022	\$ 7,891,391
2023	7,074,028
2024	4,284,016
2025	3,593,831
2026	<u>2,267,591</u>
	<u>\$ 25,110,857</u>

Investment Policy – The Town adopted an investment policy for its OPEB Plan in April 2014 while the Electric Department’s investment policy was adopted in April 2017. Both investment policies which seeks 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:

	<u>Town</u>	<u>Electric Department</u>
Money-weighted rate of return	26.86%	14.30%

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, 2021 was comprised as follows:

	<u>North Attleborough Contributory Retirement (1)</u>	<u>Town OPEB Trust</u>	<u>Electric Light OPEB Trust (1)</u>	<u>Pension and Other Employee Benefit Trust Funds</u>
	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(a) + (b) + (c)</i>
Assets:				
Cash and cash equivalents	\$ 5,015,620	\$ 785,148	\$ 283,145	\$ 6,083,913
Investments at fair value:				
Fixed income securities	-	-	2,274,681	2,274,681
Equity securities	33,671,468	462,696	-	34,134,164
Mutual funds	96,845,543	4,008,931	4,183,510	105,037,984
Other investments	13,770,264	-	-	13,770,264
Receivables	3,946	-	-	3,946
Total Assets	<u>149,306,841</u>	<u>5,256,775</u>	<u>6,741,336</u>	<u>161,304,952</u>
Liabilities:				
Warrants and accounts payable	52,953	-	-	52,953
Total Liabilities	<u>52,953</u>	<u>-</u>	<u>-</u>	<u>52,953</u>
Net Position:				
Restricted for pensions	149,253,888	-	-	149,253,888
Restricted for other postemployment benefits	-	5,256,775	6,741,336	11,998,111
Total Net Position	<u>\$ 149,253,888</u>	<u>\$ 5,256,775</u>	<u>\$ 6,741,336</u>	<u>\$ 161,251,999</u>

(1) As of December 31, 2020.

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, 2021 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)
	(a)	(b)	(c)	(a) + (b) + (c)
Additions:				
Employer contributions	\$ 4,170,510	\$ 6,434,783	\$ -	\$ 10,605,293
Employee contributions	2,652,149	-	216,923	2,869,072
Other contributions	365,306	-	-	365,306
Total contributions	7,187,965	6,434,783	216,923	13,839,671
Investment income:				
Interest and dividends	1,242,451	118,007	159,382	1,519,840
Net change in fair value of investments	18,485,279	848,067	730,016	20,063,362
Less investment management fees	(797,222)	(14,710)	(46,127)	(858,059)
Total net investment income	18,930,508	951,364	843,271	20,725,143
Total Additions	26,118,473	7,386,147	1,060,194	34,564,814
Deductions:				
Benefits and refunds to Plan members:				
Benefits to retirees and survivors	8,573,069	5,671,413	216,923	14,461,405
Member refunds	317,668	-	-	317,668
Transfers and reimbursements to other system	425,015	-	-	425,015
Administrative expenses:				
Operations payroll and related personnel costs	164,051	-	-	164,051
Other administrative expenses	105,862	-	-	105,862
Total Deductions	9,585,665	5,671,413	216,923	15,474,001
Change in Net Position	16,532,808	1,714,734	843,271	19,090,813
Net Position:				
Beginning of the year	132,721,080	3,542,041	5,898,065	142,161,186
End of the year	\$ 149,253,888	\$ 5,256,775	\$ 6,741,336	\$ 161,251,999

(1) As of and for the year ended December 31, 2020.

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, 2021 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, 2021.

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 personal property values for ATB cases totaled over \$239 million at June 30, 2021, the majority of which pertained to the commercial real estate. No provision has been made in the government-wide financial statements 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 company.

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 \$1.7 million in calendar year 2020. Included in the accompanying statements of net position of the Electric Department are amounts due from the Town of \$35,100 at December 31, 2020.

The Town provides police details, insurance coverage and other items to the Electric Department. These expenses amounted to approximately \$1.7 million in calendar year 2020.

At December 31, 2020, the Electric Department owed the Town approximately \$513,000, 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 \$356,000 during calendar year 2020.

IV. Implementation of Accounting Pronouncements

A. Current Year Implementations

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of the Statement was to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The provisions of this Statement became effective for the Town in fiscal year 2021. In connection with the adoption of this accounting standard, certain previously reported agency balances are now reported in the governmental funds and government-wide financial statements. Refer to Note V for the financial impact of the adoption of this accounting standard.

In August 2018, the GASB issued GASB Statement No. 90, *Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61*. The objective of this Statement was to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The provisions of this Statement became effective for the Town in fiscal year 2021. The adoption of this standard did not have an impact on the Town’s financial statements.

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. In addition to accounting and financial reporting implications that result from the replacement of an interbank offered rate (which become effective in fiscal year 2022), this Statement eliminated the use of LIBOR as an appropriate benchmark interest rate for derivative instruments that hedge interest rate risk of taxable debt for reporting periods effective fiscal year 2021. The adoption of this standard did not have an impact on the Town's financial statements.

B. Future Year Implementations

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This Statement redefines the manner in which long-term leases are accounted and reported. As amended, the provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement establishes accounting requirements for interest costs incurred before the end of a construction period. As amended, the provisions of this Statement are effective for financial reporting periods beginning after December 15, 2020 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is 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 are effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. The reporting provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the 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 is to improve financial reporting by addressing issued related to public-private and public-public partnership arrangements. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is 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 are effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2021 (fiscal year 2022). The Town is currently evaluating whether adoption will have a material impact on the financial statements.

V. Restatement

The adoption of GASB Statement No. 84 required certain accounts previously reported as agency accounts in the Statement of Fiduciary Activities to be reclassified into nonmajor governmental funds. The beginning fund balance in the Town’s nonmajor governmental funds increased \$140,400 to \$8,334,392 as a result of adopting this accounting standard. The deficit net position in the Town’s governmental activities in its statement of net position decreased \$140,400 to \$(49,508,550).

* * * * *

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
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
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
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,				
	2021	2020	2019	2018	2017
Total OPEB Liability:					
Service cost	\$ 3,473	\$ 3,297	\$ 3,566	\$ 2,614	\$ 2,886
Interest	8,017	6,675	6,719	6,207	6,393
Changes in benefit terms	-	-	-	(2,518)	-
Experience differences	-	(540)	-	5,539	-
Changes in assumptions	15,928	8,101	16,199	(223)	-
Benefit payments	<u>(5,671)</u>	<u>(5,214)</u>	<u>(4,192)</u>	<u>(3,868)</u>	<u>(3,948)</u>
Net Change in Total OPEB Liability	<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>145,096</u>	<u>132,777</u>	<u>110,485</u>	<u>102,734</u>	<u>97,403</u>
End of year (a)	<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	\$ 6,435	\$ 5,968	\$ 4,791	\$ 4,394	\$ 4,381
Net investment income	951	63	150	114	98
Benefit payments	<u>(5,671)</u>	<u>(5,214)</u>	<u>(4,192)</u>	<u>(3,868)</u>	<u>(3,947)</u>
Net Change in Plan Fiduciary Net Position	<u>1,715</u>	<u>817</u>	<u>749</u>	<u>640</u>	<u>532</u>
Plan Fiduciary Net Position:					
Beginning of year	<u>3,542</u>	<u>2,725</u>	<u>1,976</u>	<u>1,336</u>	<u>804</u>
End of year (b)	<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>\$ 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	3.2%	2.4%	2.1%	1.8%	1.3%
Covered payroll	\$ 62,316	\$ 60,501	\$ 60,501	\$ 58,738	\$ 53,773
Net OPEB Liability as a Percentage of Covered Payroll	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,				
	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 10,276	\$ 12,530	\$ 11,623	\$ 10,051	\$ 9,832
Contributions in relation to the actuarially-determined contribution	<u>(6,438)</u>	<u>(5,968)</u>	<u>(4,791)</u>	<u>(4,394)</u>	<u>(4,381)</u>
Contribution deficiency (excess)	<u>\$ 3,838</u>	<u>\$ 6,562</u>	<u>\$ 6,832</u>	<u>\$ 5,657</u>	<u>\$ 5,451</u>
Covered payroll	\$ 62,316	\$ 60,501	\$ 60,501	\$ 53,773	\$ 53,773
Contributions as a percentage of covered payroll	10.33%	9.86%	7.92%	8.17%	8.15%

Notes to Schedule:

Valuation date	July 1, 2019
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	4.75% per annum (previously 5.5%)
Healthcare cost trend rates	4.5% per annum (previously 5.0%)

SCHEDULE OF INVESTMENT RETURNS

	Year Ended June 30,				
	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expenses	26.86%	1.91%	5.94%	7.19%	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,			
	2020	2019	2018	2017
Total OPEB Liability:				
Service cost	\$ 122	\$ 102	\$ 99	\$ 126
Interest	335	319	314	301
Experience differences	51	-	-	-
Changes in assumptions	66	(190)	(156)	-
Benefit payments	<u>(217)</u>	<u>(198)</u>	<u>(177)</u>	<u>(190)</u>
Net Change in Total OPEB Liability	<u>357</u>	<u>33</u>	<u>80</u>	<u>237</u>
Total OPEB Liability:				
Beginning of year	<u>5,341</u>	<u>5,308</u>	<u>5,228</u>	<u>4,991</u>
End of year (a)	<u>\$ 5,698</u>	<u>\$ 5,341</u>	<u>\$ 5,308</u>	<u>\$ 5,228</u>
Plan Fiduciary Net Position:				
Contributions	\$ 217	\$ 266	\$ 177	\$ 675
Net investment income	843	1,027	(286)	535
Benefit payments	<u>(217)</u>	<u>(198)</u>	<u>(177)</u>	<u>(190)</u>
Net Change in Plan Fiduciary Net Position	<u>843</u>	<u>1,095</u>	<u>(286)</u>	<u>1,020</u>
Plan Fiduciary Net Position:				
Beginning of year	<u>5,898</u>	<u>4,803</u>	<u>5,089</u>	<u>4,069</u>
End of year (b)	<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>\$ (1,043)</u>	<u>\$ (557)</u>	<u>\$ 505</u>	<u>\$ 139</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	118.30%	110.43%	90.49%	97.34%
Covered payroll	\$ 4,187	\$ 3,239	\$ 3,144	\$ 3,053
Net OPEB (Asset) Liability as a Percentage of Covered Payroll	-24.91%	-17.20%	16.06%	4.55%

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 CONTRIBUTIONS

(dollar amounts are in thousands)

	Year Ended December 31,			
	2020	2019	2018	2017
Actuarially determined contribution	\$ 71	\$ 62	\$ 133	\$ 189
Contributions in relation to the actuarially-determined contribution	(217)	(266)	(177)	(675)
Contribution deficiency (excess)	\$ (146)	\$ (204)	\$ (44)	\$ (486)
Covered payroll	\$ 4,185	\$ 3,239	\$ 3,144	\$ 3,053
Contribution as a percentage of covered payroll	5.19%	8.21%	5.63%	22.11%

Notes to Schedule:

Valuation date	January 1, 2020
Asset valuation method	Market value as of the reporting date
Actuarial cost method	Individual entry age normal
Salary increases	3.0% per annum
Inflation	2.5% per annum
Single equivalent discount rate	6.00% per annum (previously 6.25%)
Healthcare cost trend rates	5.0% per annum

SCHEDULE OF INVESTMENT RETURNS

	Year Ended December 31,			
	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expenses	14.30%	21.23%	-5.61%	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, 2021**

	Budgeted Amounts		Actual Budgetary Amounts	Encumbrances	Actual Budgetary Adjusted	Positive (Negative) Variance
	Original Budget	Final Budget				
Revenues:						
Property taxes, net of tax refunds	\$ 61,674,029	\$ 61,674,029	\$ 62,774,855		\$ 62,774,855	\$ 1,100,826
Intergovernmental	24,206,579	24,206,579	24,507,891		24,507,891	301,312
Motor vehicle and other excise taxes	4,508,400	4,508,400	4,986,059		4,986,059	477,659
Licenses and permits	407,250	407,250	644,065		644,065	236,815
Penalties and interest on taxes	227,500	227,500	288,279		288,279	60,779
Fines and forfeitures	68,240	68,240	44,437		44,437	(23,803)
Departmental and other revenues	683,949	683,949	733,929		733,929	49,980
Investment income	150,000	150,000	62,525		62,525	(87,475)
Total Revenues	91,925,947	91,925,947	94,042,040		94,042,040	2,116,093
Expenditures:						
General government	5,206,586	5,259,586	4,196,469	\$ 83,462	4,279,931	979,655
Public safety	12,262,922	12,262,922	11,076,049	23,045	11,099,094	1,163,828
Education	46,846,412	46,846,412	46,451,359	238,515	46,689,874	156,538
Public works	1,682,637	2,012,849	1,845,838	45,109	1,890,947	121,902
Health and human services	1,072,451	1,072,451	914,154	15,457	929,611	142,840
Culture and recreation	1,220,064	1,284,363	1,165,632	4,162	1,169,794	114,569
Pension and fringe benefits	15,595,784	15,595,784	13,912,149	55,780	13,967,929	1,627,855
State and county charges	5,020,519	5,020,519	5,270,613	-	5,270,613	(250,094)
Debt service	3,580,951	3,580,951	3,494,102	-	3,494,102	86,849
Total Expenditures	92,488,326	92,935,837	88,326,365	\$ 465,530	88,791,895	4,143,942
Other Financing Sources (Uses):						
Transfers in	2,471,957	2,471,957	2,510,957		2,510,957	39,000
Transfers out	(2,422,761)	(4,586,627)	(4,586,627)		(4,586,627)	-
Total Other Financing Sources (Uses)	49,196	(2,114,670)	(2,075,670)		(2,075,670)	39,000
(Deficiency) Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(513,183)	(3,124,560)	\$ 3,640,005		\$ 3,174,475	\$ 6,299,035
Other Budgetary Items:						
Prior year encumbrances	500,092	500,092				
Free cash	-	2,611,377				
Other items	13,091	13,091				
Total Other Budgetary Items	513,183	3,124,560				
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, 2021**

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			\$ 94,042,040
Revenue recognition	\$ (274,580)	\$ -	(274,580)
Stabilization revenue	-	(17,405)	(17,405)
On behalf payments	<u>14,761,702</u>	<u>-</u>	<u>14,761,702</u>
Revenues — GAAP basis	<u>\$ 14,487,122</u>	<u>\$ (17,405)</u>	<u>\$ 108,511,757</u>
Expenditures — budgetary basis			\$ 88,326,365
Transfer treatment for budget	\$ -	\$ (223,546)	(223,546)
On behalf payments	<u>14,761,702</u>	<u>-</u>	<u>14,761,702</u>
Expenditures — GAAP basis	<u>\$ 14,761,702</u>	<u>\$ (223,546)</u>	<u>\$ 102,864,521</u>
Net Transfers — budgetary basis			\$ (2,075,670)
Transfer treatment for budget	<u>\$ -</u>	<u>\$ 3,560,320</u>	<u>3,560,320</u>
Net Transfers — GAAP basis	<u>\$ -</u>	<u>\$ 3,560,320</u>	<u>\$ 1,484,650</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
\$9,480,000 General Obligation Municipal Purpose Loan of 2022 Bonds
dated April 6, 2022

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 individual alternative minimum tax. In rendering the opinions set forth in this paragraph, we have assumed compliance by the Town with all requirements of the Internal Revenue Code of 1986, as amended, 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 \$9,480,000 General Obligation Municipal Purpose Loan of 2022 Bonds, dated April 6, 2022 (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 March 23, 2022 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: April 6, 2022

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]