

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS

**BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2024



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INDEPENDENT AUDITORS' REPORT

Honorable Town Council
Town of North Attleborough, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Attleborough, Massachusetts (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the 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, 2024, 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.

We did not audit the financial statements of North Attleborough Electric Department, which represent 100% of the total assets, net position and revenues of the Electric Department major fund, and 38%, 47% and 73%, respectively, of the total assets, net position, and revenues of the business-type activities as of June 30, 2024. 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 the business-type activities of the North Attleborough Electric Department, is based solely on the report of the other auditors.

We also did not audit the financial statements of North Attleborough Contributory Retirement System, and North Attleborough Electric Department OPEB Trust which represent 93%, 94%, and 73%, respectively, of the total assets, net position, and revenues of the aggregate remaining fund information as of June 30, 2024. 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 the aggregate remaining fund information of the North Attleborough Contributory Retirement System and North Attleborough Electric Department OPEB Trust, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the North Attleborough Contributory Retirement System were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Honorable Town Council
Town of North Attleborough, Massachusetts

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Boston, Massachusetts
March 28, 2025

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

As management of the Town of North Attleborough, Massachusetts (Town), we offer readers of these financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2024. 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.

Significant Financial Results

- The Town's assets and deferred outflow of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$58,870,237. The Town's total net position increased by \$5,429,604 in fiscal year 2024.
- The Town continues to report a deficit in its unrestricted net position in its governmental activities. This deficit was \$154,386,528 at June 30, 2024. This deficit is due primarily to the recording of liabilities associated with the net OPEB and pension liabilities, 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 fiscal year, the Town's governmental funds balance sheet reported a combined ending fund balances totaling \$51,443,735, a decrease of \$558,587, in comparison with the prior year.
- Of the ending fund balance in the governmental funds at June 30, 2024, \$14,652,766 is available for spending at the government's discretion as unassigned fund balance. The remainder is earmarked for specific expenditures.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$15,646,452 or 14% of total general fund expenditures and transfers out.
- The Town's total long-term debt increased by \$7,206,876 (12%) during fiscal year 2024. The Town issued \$9,830,000 in general obligation bonds and \$3,106,417 of loans with MCWT during the year. The Town's total long-term debt was \$67,234,973 at June 30, 2024.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the *basic financial statements*, which consists of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements.

This report also contains required supplementary information in addition to the basic financial statements.

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.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

The **statement of net position** presents information on all of the Town's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position 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, earned but unused vacation leave, etc.).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

Governmental activities include general government, public safety, education, public works, health and human services, culture and recreation, debt service (interest). Business-type activities include the sewer, water, solid waste, and Electric Department operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds
2. Proprietary funds
3. Fiduciary funds

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 funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable 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 effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

The Town maintains several governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation titled *nonmajor governmental funds*.

Proprietary Funds

The Town maintains one proprietary fund type.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its sewer, water, solid waste, and Electric Department operations, each of which are considered to be major funds with the exception of the solid waste fund which is reported as nonmajor.

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 statements because the resources of those funds are not available to support the Town's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

Notes to the Basic Financial Statements

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

Required Supplementary and Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the budget comparison for the general fund and certain pension and other postemployment benefits information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Government-Wide Financial Analysis

The following tables present current and prior year data on the government-wide financial statements.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$58,870,327 at the close of the fiscal year and are summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets and Deferred Outflows						
Current and Other Assets	\$ 69,388,270	\$ 67,580,847	\$ 74,060,119	\$ 75,213,351	\$ 143,448,389	\$ 142,794,198
Capital Assets, Net	92,204,929	83,611,872	123,670,389	113,535,001	215,875,318	197,146,873
Total Assets	161,593,199	151,192,719	197,730,508	188,748,352	359,323,707	339,941,071
Deferred Outflows of Resources	17,580,522	32,424,429	6,237,192	6,323,120	23,817,714	38,747,549
Liabilities and Deferred Inflows						
Long-Term Liabilities	187,752,656	216,247,145	61,366,784	47,304,583	249,119,440	263,551,728
Other Liabilities	13,431,045	15,829,376	11,025,392	10,624,089	24,456,437	26,453,465
Total Liabilities	201,183,701	232,076,521	72,392,176	57,928,672	273,575,877	290,005,193
Deferred Inflows of Resources	41,703,098	20,494,518	8,992,119	14,748,186	50,695,217	35,242,704
Net Position						
Net Investment in Capital Assets	75,027,525	70,360,987	83,747,651	79,467,096	158,775,176	149,828,083
Restricted	15,645,925	39,516,452	21,793,927	22,868,711	37,439,852	62,385,163
Unrestricted	(154,386,528)	(178,831,330)	17,041,827	20,058,807	(137,344,701)	(158,772,523)
Total Net Position	\$ (63,713,078)	\$ (68,953,891)	\$ 122,583,405	\$ 122,394,614	\$ 58,870,327	\$ 53,440,723

The largest portion of the Town's net position (\$158,775,176) reflects its net investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements, equipment, and infrastructure); less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position \$37,439,852 represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position of \$17,041,827 may be used to support business-type activities. The Town has no unrestricted net position available for the support of governmental activities. Such resources have been consumed with the recognition of net pension and other postemployment benefits liabilities.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Changes in Net Position

For the fiscal year ended June 30, 2024, the Town's total net position increased by \$5,429,604, compared to a decrease of \$14,958,505 in the prior fiscal year. These amounts are summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 8,351,292	\$ 6,964,088	\$ 46,210,708	\$ 48,533,972	\$ 54,562,000	\$ 55,498,060
Operating Grants and Contributions	42,765,909	41,876,353	1,028,461	779,717	43,794,370	42,656,070
Capital Grants and Contributions	3,824,353	1,436,713	-	-	3,824,353	1,436,713
General Revenues:						
Real Estate and Personal Property Taxes	69,366,636	67,261,752	-	-	69,366,636	67,261,752
Motor Vehicle and Other Excise Taxes	6,741,261	5,985,192	-	-	6,741,261	5,985,192
Payments in Lieu of Taxes	366,304	419,590	-	-	366,304	419,590
Intergovernmental	3,334,718	3,332,701	-	-	3,334,718	3,332,701
Penalties and Interest on Taxes	373,426	371,488	-	-	373,426	371,488
Investment Income (Loss)	2,048,913	805,888	1,577,890	(2,860,599)	3,626,803	(2,054,711)
Other	443,949	370,538	-	-	443,949	370,538
Total Revenues	137,616,761	128,824,303	48,817,059	46,453,090	186,433,820	175,277,393
Expenses						
General Government	8,632,684	8,452,207	-	-	8,632,684	8,452,207
Public Safety	20,864,551	23,641,792	-	-	20,864,551	23,641,792
Education	90,130,274	96,390,024	-	-	90,130,274	96,390,024
Public Works	8,429,911	6,461,507	-	-	8,429,911	6,461,507
Health and Human Services	1,942,106	1,906,748	-	-	1,942,106	1,906,748
Culture and Recreation	2,463,880	2,683,581	-	-	2,463,880	2,683,581
Interest Expense	645,462	629,319	-	-	645,462	629,319
Utility Services	-	-	47,895,348	50,070,720	47,895,348	50,070,720
Total Expenses	133,108,868	140,165,178	47,895,348	50,070,720	181,004,216	190,235,898
Change in Net Position Before Transfers	4,507,893	(11,340,875)	921,711	(3,617,630)	5,429,604	(14,958,505)
Transfers, Net	732,920	(238,365)	(732,920)	238,365	-	-
Change in Net Position	5,240,813	(11,579,240)	188,791	(3,379,265)	5,429,604	(14,958,505)
Net Position - Beginning of Year	(68,953,891)	(57,374,651)	122,394,614	125,773,879	53,440,723	68,399,228
Net Position - End of Year	\$ (63,713,078)	\$ (68,953,891)	\$ 122,583,405	\$ 122,394,614	\$ 58,870,327	\$ 53,440,723

Governmental activities increased the Town's net position by \$5,240,813. In the prior year, governmental activities decreased the Town's net position by \$11,579,240. The key element of this change is an increase in the taxable property values from 2023 to 2024. Additionally, the Town experienced a decrease in OPEB expense in fiscal year 2024 primarily due to an experience gain and changes in assumptions.

Business-type activities increased the Town's net position by \$188,791. In the prior year, business-type activities decreased the Town's net position by \$3,379,265. The key element of this change is an increase in investment income due to favorable market results compared to the prior year.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Fund Financial Statement 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 governmental funds is to provide information on near-term inflows, outflows, and balances of expendable 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.

At the end of the current fiscal year, the governmental funds reported combined ending fund balances totaling \$51,443,735, a decrease of \$558,587 in comparison with the prior year. \$14,652,766 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Nonspendable – \$2,528,809
- Restricted – \$20,159,705
- Committed – \$13,527,355
- Assigned – \$575,100

The general fund is the primary operating fund of the Town. At the end of the current fiscal year, the general fund's unassigned fund balance totaled \$15,646,452, while total fund balance was \$21,447,804. 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 general fund expenditures and transfers out. Unassigned fund balance represents 14% of total general fund expenditures and transfers out, while total fund balance represents 19% of that same amount.

The balance of the Town's general fund increased by \$2,672,586 during fiscal year 2024, primarily due to an approximately \$1,600,000 increase to intergovernmental revenue as a result of increases in state funding, as well as an approximately \$1,500,000 increase to property tax revenue as a result of increases in the taxable property values from 2023 to 2024, and approximately \$1,000,000 increase in investment income due to improved market conditions. This was offset by an approximately \$2,000,000 increase in education expenditures as a result of an approved increase in the education budget. The Town recognized a budgetary surplus of approximately \$6,059,600 (excluding encumbrances), and anticipated utilizing reserves of approximately \$7,687,000 to fund fiscal year 2024 operations.

Proprietary Funds

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

Unrestricted net position of the sewer, water, solid waste, and Electric Department enterprise funds at the end of the year amounted to \$1,185,429, \$(2,603,626), \$1,022,595 and \$17,437,429 respectively. The sewer, water, solid waste, and Electric Department enterprise funds had increases/decreases in net position for the year of \$(1,238,736), \$(372,889), \$(57,794) and \$1,858,210, respectively. Other factors concerning the finances of the fund have already been addressed in the discussion of the Town's business-type activities.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

General Fund Budgetary Results

During the year, general fund revenues exceeded budgetary estimates, and expenditures, encumbrances were less than budgetary estimates, resulting in a positive overall budget to actual variance of approximately \$6,060,000. Encumbrances totaled \$575,100 at year end.

Some of the significant revenue items that exceeded budgetary estimates were the following:

- Investment Income \$ 1,265,103
- Motor Vehicle and Other Excise Taxes \$ 986,161
- Tax and Utility Liens \$ 405,127
- Charges for Services \$ 180,585

Some of the programs that expended less than budgetary estimates were the following:

- Public Safety \$ 1,088,898
- State and County Charges \$ 852,504
- Pension and Fringe Benefits \$ 602,565
- General Government \$ 493,306
- Education \$ 343,455
- Health and Human Services \$ 135,231

The under expenses were primarily due to staffing vacancies across all programs, reduced snow removal expenses, and reduced operating expenses across all programs.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business type activities at the end of the fiscal year totaled \$215,875,318 (net of accumulated depreciation and amortization). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment, and infrastructure. The total increase in the investment in capital assets for the current fiscal year totaled \$18,728,445 or 9.5%.

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

Long-Term Debt

At the end of the current fiscal year, total long-term debt and unamortized premiums outstanding was \$67,234,973, which is backed by the full faith and credit of the Town.

The Town total long-term debt increased \$7,206,876 or 12% during fiscal year 2024, primarily due to the issuance of bonds offset by the debt payments made.

In connection with the Town's fiscal year 2024 general obligation bond issuance, Standard & Poor' Financial Services affirmed the Town's credit rating to AA+, which is its second highest credit rating for long-term debt.

Additional information on the Town's long-term debt can be found in the notes to the financial statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Economic Factors and Next Year's Budgets and Rates

- Net state aid for fiscal year 2025 is expected to approach \$20.8 million.
- The Town enters fiscal year 2025 with the following financial reserves:
 - Certified free cash of over \$5.5 million; (Same as FY24)
 - General stabilization funds of approximately \$7.6 million; and
 - Capital stabilization funds of approximately \$4.4 million.
- Inflation is expected to continue affecting the Town in a number of ways including higher energy costs, increased capital acquisition costs and operating expenses.
- The Town's real estate tax base is made up predominantly of residential taxes, which in setting the 2025 tax rate was approximately 82% of the entire property tax levy. The Town also relies to a moderate degree on its commercial, industrial and personal property real estate tax base which comprise the remainder of the levy. In addition, Chapter 580 of the Acts of 1980, more commonly referred to as Proposition 2 ½, limits the Town's ability to increase taxes in any one year by more than 2 ½% of the previous year's tax levy. The Town typically taxes at or near its levy limit.
- Property values within the Town have been steadily increasing. Many neighborhoods' property values are at all-time highs.

The above items were considered when the Town Council approved its fiscal year 2025 budget in a June 2024 Town Council meeting. The Town set its fiscal year 2025 property tax rate on December 6, 2024.

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 its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Accountant, Town Hall, 43 South Washington Street, North Attleborough, Massachusetts 02760.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 11,084,978	\$ 11,467,510	\$ 22,552,488
Restricted Cash and Cash Equivalents	35,408,333	5,652,798	41,061,131
Investments	15,624,964	40,785,666	56,410,630
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate and Personal Property Taxes	1,253,006	-	1,253,006
Tax and Utility Liens	855,936	127,318	983,254
Motor Vehicle and Other Excise Taxes	666,816	-	666,816
User Charges	-	5,756,172	5,756,172
Departmental and Other	1,100,402	-	1,100,402
Intergovernmental	2,099,185	1,057,666	3,156,851
Leases	141,263	-	141,263
Prepaid Items	-	582,055	582,055
Purchased Power Advanced Deposits	-	2,857,193	2,857,193
Inventories	39,623	1,371,487	1,411,110
Total Current Assets	<u>68,274,506</u>	<u>69,657,865</u>	<u>137,932,371</u>
Noncurrent Assets:			
Receivables, Net of Allowance for Uncollectible Amounts:			
Intergovernmental	-	4,402,254	4,402,254
Departmental and Other	1,113,764	-	1,113,764
Capital Assets Not Being Depreciated	9,469,307	943,665	10,412,972
Capital Assets, Net of Accumulated Depreciation and Amortization	<u>82,735,622</u>	<u>122,726,724</u>	<u>205,462,346</u>
Total Noncurrent Assets	<u>93,318,693</u>	<u>128,072,643</u>	<u>221,391,336</u>
Total Assets	161,593,199	197,730,508	359,323,707
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	9,186,740	1,664,342	10,851,082
Pension	8,393,782	4,572,850	12,966,632
Total Deferred Outflows of Resources	<u>17,580,522</u>	<u>6,237,192</u>	<u>23,817,714</u>

See accompanying Notes to Financial Statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 4,448,446	\$ 4,466,768	\$ 8,915,214
Accrued Payroll	3,396,132	-	3,396,132
Tax Refunds Payable	191,119	-	191,119
Accrued Interest	160,500	122,524	283,024
Customer Deposits and Refunds Payable	-	18,516	18,516
Unearned Revenues	4,430,767	4,035,137	8,465,904
Other Liabilities	680,469	-	680,469
Short-Term Note Payable	-	2,382,447	2,382,447
Compensated Absences	123,612	356,897	480,509
Postclosure Landfill	-	92,500	92,500
Long-Term Bonds and Notes Payable	3,093,748	3,445,370	6,539,118
Total Current Liabilities	<u>16,524,793</u>	<u>14,920,159</u>	<u>31,444,952</u>
Noncurrent Liabilities:			
Compensated Absences	229,565	112,861	342,426
Unearned Revenue	-	4,402,254	4,402,254
Customer Deposits	-	1,274,207	1,274,207
Customer Advances for Construction	-	119,282	119,282
Postclosure Landfill	-	1,183,500	1,183,500
Net OPEB Liability	121,828,715	671,722	122,500,437
Net Pension Liability	40,151,097	11,461,867	51,612,964
Long-Term Bonds and Notes Payable	22,449,531	38,246,324	60,695,855
Total Noncurrent Liabilities	<u>184,658,908</u>	<u>57,472,017</u>	<u>242,130,925</u>
Total Liabilities	201,183,701	72,392,176	273,575,877
DEFERRED INFLOWS OF RESOURCES			
Rate Stabilization Reserve	-	6,992,532	6,992,532
Leases	113,563	-	113,563
OPEB	40,439,050	1,424,143	41,863,193
Pension	1,150,485	575,444	1,725,929
Total Deferred Inflows of Resources	<u>41,703,098</u>	<u>8,992,119</u>	<u>50,695,217</u>
NET POSITION			
Net Investment in Capital Assets	75,027,525	83,747,651	158,775,176
Restricted for:			
Permanent Nonexpendable - Scholarships and Library	2,489,186	-	2,489,186
Permanent Expendable - Scholarships and Library	615,114	-	615,114
OPEB Benefits	-	699,284	699,284
Capital Improvements	-	20,522,631	20,522,631
Insurance	-	572,012	572,012
Grants, Gifts and Other Purposes	12,541,625	-	12,541,625
Unrestricted	<u>(154,386,528)</u>	<u>17,041,827</u>	<u>(137,344,701)</u>
Total Net Position	<u>\$ (63,713,078)</u>	<u>\$ 122,583,405</u>	<u>\$ 58,870,327</u>

See accompanying Notes to Financial Statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 8,632,684	2,415,833	\$ 2,985,537	\$ -	\$ (3,231,314)	\$ -	\$ (3,231,314)
Public Safety	20,864,551	3,949,630	201,057	-	(16,713,864)	-	(16,713,864)
Education	90,130,274	1,405,121	38,010,169	-	(50,714,984)	-	(50,714,984)
Public Works	8,429,911	71,732	-	3,824,353	(4,533,826)	-	(4,533,826)
Health and Human Services	1,942,106	105,720	1,433,028	-	(403,358)	-	(403,358)
Culture and Recreation	2,463,880	403,256	136,118	-	(1,924,506)	-	(1,924,506)
Debt Service - Interest	645,462	-	-	-	(645,462)	-	(645,462)
Total Governmental Activities	<u>133,108,868</u>	<u>8,351,292</u>	<u>42,765,909</u>	<u>3,824,353</u>	<u>(78,167,314)</u>	<u>-</u>	<u>(78,167,314)</u>
Business-Type Activities:							
Sewer	6,781,718	4,903,266	954,060	-	-	(924,392)	(924,392)
Water	4,532,590	4,394,414	72,652	-	-	(65,524)	(65,524)
Electric Light	32,872,954	33,207,812	1,749	-	-	336,607	336,607
Solid Waste	3,708,086	3,705,216	-	-	-	(2,870)	(2,870)
Total Business-Type Activities	<u>47,895,348</u>	<u>46,210,708</u>	<u>1,028,461</u>	<u>-</u>	<u>-</u>	<u>(656,179)</u>	<u>(656,179)</u>
Total Primary Government	<u>\$ 181,004,216</u>	<u>\$ 54,562,000</u>	<u>\$ 43,794,370</u>	<u>\$ 3,824,353</u>	<u>(78,167,314)</u>	<u>(656,179)</u>	<u>(78,823,493)</u>
General Revenues							
Real Estate and Personal Property Taxes					69,366,636	-	69,366,636
Motor Vehicle and Other Excise Taxes					6,741,261	-	6,741,261
Payments in Lieu of Taxes					366,304	-	366,304
Unrestricted Grants and Contributions					3,334,718	-	3,334,718
Penalties and Interest on Taxes					373,426	-	373,426
Investment Income					2,048,913	1,577,890	3,626,803
Other					443,949	-	443,949
Transfers, Net					<u>732,920</u>	<u>(732,920)</u>	<u>-</u>
Total General Revenues and Transfers					<u>83,408,127</u>	<u>844,970</u>	<u>84,253,097</u>
CHANGE IN NET POSITION					5,240,813	188,791	5,429,604
Net Position - Beginning					<u>(68,953,891)</u>	<u>122,394,614</u>	<u>53,440,723</u>
NET POSITION - END OF YEAR					<u>\$ (63,713,078)</u>	<u>\$ 122,583,405</u>	<u>\$ 58,870,327</u>

See accompanying Notes to Financial Statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

	General Fund	Nonmajor Governmental Funds	Total
ASSETS			
Cash and Cash Equivalents	\$ 11,084,978	\$ -	\$ 11,084,978
Restricted Cash and Cash Equivalents	2,419,718	32,988,615	35,408,333
Investments	12,887,764	2,737,200	15,624,964
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate and Personal Property Taxes	1,253,006	-	1,253,006
Tax and Utility Liens	855,936	-	855,936
Motor Vehicle and Other Excise Taxes	666,816	-	666,816
Departmental and Other	285,349	1,928,817	2,214,166
Intergovernmental	272,811	1,826,374	2,099,185
Leases	-	141,263	141,263
Other Assets	39,623	-	39,623
	\$ 29,766,001	\$ 39,622,269	\$ 69,388,270
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,160,720	\$ 3,287,726	\$ 4,448,446
Accrued Payroll	3,396,132	-	3,396,132
Tax Refunds Payable	191,119	-	191,119
Unearned Revenues	73,339	4,357,428	4,430,767
Other Liabilities	680,469	-	680,469
Total Liabilities	5,501,779	7,645,154	13,146,933
DEFERRED INFLOWS OF RESOURCES			
Leases	-	113,563	113,563
Unavailable Revenue	2,816,418	1,867,621	4,684,039
Total Deferred Inflows of Resources	2,816,418	1,981,184	4,797,602
FUND BALANCES			
Nonspendable	39,623	2,489,186	2,528,809
Restricted	-	20,159,705	20,159,705
Committed	5,186,629	8,340,726	13,527,355
Assigned	575,100	-	575,100
Unassigned	15,646,452	(993,686)	14,652,766
Total Fund Balances	21,447,804	29,995,931	51,443,735
	\$ 29,766,001	\$ 39,622,269	\$ 69,388,270
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 29,766,001	\$ 39,622,269	\$ 69,388,270

See accompanying Notes to Financial Statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
RECONCILIATION OF THE BALANCE SHEET TOTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
JUNE 30, 2024**

Total Fund Balance - Governmental Funds	\$ 51,443,735
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	92,204,929
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	4,684,039
In the Statement of Net Position, interest is accrued on outstanding long-term debts, whereas in the governmental funds interest is not reported until due.	(160,500)
Long-term liabilities not currently due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds and Notes Payable	(25,543,279)
Compensated Absences	(353,177)
Net Pension Liability	(40,151,097)
Net OPEB Liability	(121,828,715)
In the statement of net position, deferred outflows of resources are reported for amounts related to pension and OPEB.	17,580,522
In the statement of net position, deferred inflows of resources are reported for amounts related to pension and OPEB.	<u>(41,589,535)</u>
 Net Position of Governmental Activities	 <u><u>\$ (63,713,078)</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024**

	General Fund	ARPA Grant Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
REVENUES					
Real Estate and Personal Property Taxes	\$ 68,789,036	\$ -	\$ -	\$ -	\$ 68,789,036
Motor Vehicle and Other Excise Taxes	6,661,161	-	-	-	6,661,161
Tax and Utility Liens	405,127	-	-	-	405,127
Payments in Lieu of Taxes	366,304	-	-	-	366,304
Charges for Services	458,135	-	-	4,868,479	5,326,614
Intergovernmental	34,783,299	-	-	14,642,466	49,425,765
Penalties and Interest on Taxes	373,426	-	-	-	373,426
Licenses and Permits	595,470	-	-	3,600	599,070
Fines and Forfeitures	62,912	-	-	490	63,402
Departmental and Other	386,273	-	-	1,047,350	1,433,623
Contributions and Donations	-	-	-	330,473	330,473
Investment Income, Net	1,903,350	-	-	145,563	2,048,913
Total Revenues	<u>114,784,493</u>	<u>-</u>	<u>-</u>	<u>21,038,421</u>	<u>135,822,914</u>
EXPENDITURES					
Current:					
General Government	5,446,684	-	-	1,451,513	6,898,197
Public Safety	14,095,085	-	-	1,452,614	15,547,699
Education	61,594,470	-	-	9,361,796	70,956,266
Public Works	2,127,649	-	-	3,554,488	5,682,137
Health and Human Services	948,555	-	-	467,317	1,415,872
Culture and Recreation	1,490,750	-	-	496,691	1,987,441
Employee Benefits	16,073,414	-	-	-	16,073,414
Capital Outlay	-	-	-	15,844,814	15,844,814
State and County Charges	5,141,175	-	-	-	5,141,175
Debt Service:					
Principal	2,935,000	-	-	-	2,935,000
Interest	803,000	-	-	-	803,000
Total Expenditures	<u>110,655,782</u>	<u>-</u>	<u>-</u>	<u>32,629,233</u>	<u>143,285,015</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,128,711	-	-	(11,590,812)	(7,462,101)
OTHER FINANCING SOURCES (USES)					
Proceeds of Bonds and Notes	-	-	-	5,780,000	5,780,000
Premium from Issuance of Bonds and Notes	-	-	-	390,594	390,594
Transfers In	2,932,695	-	-	4,388,820	7,321,515
Transfers Out	(4,388,820)	-	-	(2,199,775)	(6,588,595)
Total Other Financing Sources (Uses)	<u>(1,456,125)</u>	<u>-</u>	<u>-</u>	<u>8,359,639</u>	<u>6,903,514</u>
NET CHANGE IN FUND BALANCES	2,672,586	-	-	(3,231,173)	(558,587)
Fund Balance - Beginning, As Originally Reported	18,775,218	-	19,282,823	13,944,281	52,002,322
Adjustment	<u>-</u>	<u>-</u>	<u>(19,282,823)</u>	<u>19,282,823</u>	<u>-</u>
Fund Balance - Beginning, As Adjusted	<u>18,775,218</u>	<u>-</u>	<u>-</u>	<u>33,227,104</u>	<u>52,002,322</u>
FUND BALANCES - END OF YEAR	<u>\$ 21,447,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,995,931</u>	<u>\$ 51,443,735</u>

See accompanying Notes to 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 –
GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balance - Total Governmental Funds	\$ (558,587)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. These amounts represent the related activity of the current period.</p>	
Capital Outlay	15,858,642
Depreciation	(7,242,307)
Disposal	(23,278)
<p>Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.</p>	
	1,793,847
<p>The issuance of long-term debt (e.g., bond and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.</p>	
Issuance of Bonds and Notes	(5,780,000)
Premiums from Issuance of Bonds and Notes	(390,594)
Bond Maturities	2,935,000
Amortization of Bond Premiums	146,905
<p>In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable.</p>	
	10,632
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represents the net changes:</p>	
Compensated Absences	(9,526)
Net OPEB Liability	27,551,106
Net Pension Liability	7,120,169
<p>In the Statement of Activities, deferred outflows related to pensions and OPEB are amortized and recognized as pension and OPEB expense. This amount represents the net change in deferred outflows related to pension and OPEB.</p>	
	(14,843,907)
<p>In the Statement of Activities, deferred inflows related to pensions and OPEB are amortized and recognized as pension and OPEB expense. This amount represents the net change in deferred inflows related to pension and OPEB.</p>	
	<u>(21,327,289)</u>
Changes in Net Position of Governmental Activities	<u><u>\$ 5,240,813</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET POSITION
 JUNE 30, 2024**

	Business-Type Activities				Total
	Major	Major	Major	Non-Major	
	Sewer	Water	Electric Department (a)	Solid Waste	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 1,546,255	\$ 1,013,438	\$ 7,015,905	\$ 1,891,912	\$ 11,467,510
Restricted Cash and Cash Equivalents	3,863,977	1,088,916	-	699,905	5,652,798
Investments	-	-	40,785,666	-	40,785,666
Receivables, Net of Allowance for Uncollectible Amounts:					
User Charges	1,597,078	1,696,855	1,811,685	650,554	5,756,172
Utility Liens	41,348	53,126	-	32,844	127,318
Intergovernmental	318,448	739,218	-	-	1,057,666
Prepaid Items	-	-	582,055	-	582,055
Purchased Power Advanced Deposits	-	-	2,857,193	-	2,857,193
Inventories	-	-	1,371,487	-	1,371,487
Total Current Assets	<u>7,367,106</u>	<u>4,591,553</u>	<u>54,423,991</u>	<u>3,275,215</u>	<u>69,657,865</u>
Noncurrent Assets:					
Intergovernmental Receivables	4,402,254	-	-	-	4,402,254
Net OPEB Asset	553,895	-	-	145,389	699,284
Capital Assets Not Being Depreciated	4,188	151,654	784,331	3,492	943,665
Capital Assets, Net of Accumulated Depreciation	<u>54,890,701</u>	<u>48,332,099</u>	<u>18,727,169</u>	<u>776,755</u>	<u>122,726,724</u>
Total Noncurrent Assets	<u>59,851,038</u>	<u>48,483,753</u>	<u>19,511,500</u>	<u>925,636</u>	<u>128,771,927</u>
Total Assets	67,218,144	53,075,306	73,935,491	4,200,851	198,429,792
DEFERRED OUTFLOWS OF RESOURCES					
OPEB Related	115,831	157,606	1,356,725	34,180	1,664,342
Pension Related	293,161	684,120	3,490,557	105,012	4,572,850
Total Deferred Outflows of Resources	<u>408,992</u>	<u>841,726</u>	<u>4,847,282</u>	<u>139,192</u>	<u>6,237,192</u>

See accompanying Notes to Financial Statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024**

	Business-Type Activities				Total
	Major	Major	Major	Non-Major	
	Sewer	Water	Electric Department (a)	Solid Waste	
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 113,607	\$ 752,235	\$ 3,149,866	\$ 451,060	\$ 4,466,768
Customer Deposits and Refunds Payable	-	-	18,516	-	18,516
Unearned Revenues	308,990	3,726,147	-	-	4,035,137
Accrued Interest	64,746	57,778	-	-	122,524
Compensated Absences	3,068	1,481	351,102	1,246	356,897
Short-Term Note Payable	-	2,382,447	-	-	2,382,447
Postclosure Landfill	-	-	-	92,500	92,500
Long-Term Bonds and Notes Payable	2,188,499	1,256,871	-	-	3,445,370
Total Current Liabilities	<u>2,678,910</u>	<u>8,176,959</u>	<u>3,519,484</u>	<u>544,806</u>	<u>14,920,159</u>
Noncurrent Liabilities:					
Compensated Absences	5,698	2,750	102,100	2,313	112,861
Unearned Revenue	4,402,254	-	-	-	4,402,254
Customer Deposits	-	-	1,274,207	-	1,274,207
Customer Advances for Construction	-	-	119,282	-	119,282
Postclosure Landfill	-	-	-	1,183,500	1,183,500
Net OPEB Liability	-	405,418	965,588	-	1,371,006
Net Pension Liability	1,402,317	1,934,050	7,630,258	495,242	11,461,867
Long-Term Bonds and Notes Payable	26,682,009	11,564,315	-	-	38,246,324
Total Noncurrent Liabilities	<u>32,492,278</u>	<u>13,906,533</u>	<u>10,091,435</u>	<u>1,681,055</u>	<u>58,171,301</u>
Total Liabilities	35,171,188	22,083,492	13,610,919	2,225,861	73,091,460
DEFERRED INFLOWS OF RESOURCES					
Rate Stabilization Reserve	-	-	6,992,532	-	6,992,532
OPEB Related	509,876	693,766	70,046	150,455	1,424,143
Pension Related	408,468	67,900	65,704	33,372	575,444
Total Deferred Inflows of Resources	<u>918,344</u>	<u>761,666</u>	<u>7,128,282</u>	<u>183,827</u>	<u>8,992,119</u>
NET POSITION					
Net Investment in Capital Assets	29,798,280	33,675,500	19,511,500	762,371	83,747,651
Restricted for OPEB Benefits	553,895	-	-	145,389	699,284
Restricted for Capital Improvements	-	-	20,522,631	-	20,522,631
Restricted for Insurance	-	-	572,012	-	572,012
Unrestricted	1,185,429	(2,603,626)	17,437,429	1,022,595	17,041,827
Total Net Position	<u>\$ 31,537,604</u>	<u>\$ 31,071,874</u>	<u>\$ 58,043,572</u>	<u>\$ 1,930,355</u>	<u>\$ 122,583,405</u>

(a) As of December 31, 2023.

See accompanying Notes to Financial Statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2024**

	Business-Type Activities				Total
	Major Sewer	Major Water	Major Electric Department (a)	Non-major Solid Waste	
OPERATING REVENUES					
Charges for Services	\$ 4,762,087	\$ 4,374,711	\$ 33,015,269	\$ 3,702,773	\$ 45,854,840
Other Operating Revenues	141,179	19,703	192,543	2,443	355,868
Total Operating Revenues	<u>4,903,266</u>	<u>4,394,414</u>	<u>33,207,812</u>	<u>3,705,216</u>	<u>46,210,708</u>
OPERATING EXPENSES					
Payroll and Personnel Costs	2,413,388	1,809,547	5,499,479	479,829	10,202,243
Operating Costs	2,049,582	1,329,483	25,639,633	3,157,970	32,176,668
Depreciation	2,023,477	1,101,762	1,696,759	70,287	4,892,285
Total Operating Expenses	<u>6,486,447</u>	<u>4,240,792</u>	<u>32,835,871</u>	<u>3,708,086</u>	<u>47,271,196</u>
OPERATING INCOME (LOSS)	(1,583,181)	153,622	371,941	(2,870)	(1,060,488)
NONOPERATING REVENUES (EXPENSES)					
Other Nonoperating Revenues (Expenses)	-	-	1,749	-	1,749
Intergovernmental Revenues	954,060	72,652	-	-	1,026,712
Investment Income	19,862	6,537	1,521,603	29,888	1,577,890
Interest Expenses	(295,271)	(291,798)	(37,083)	-	(624,152)
Total Nonoperating Revenues (Expenses)	<u>678,651</u>	<u>(212,609)</u>	<u>1,486,269</u>	<u>29,888</u>	<u>1,982,199</u>
INCOME (LOSS) BEFORE TRANSFERS	(904,530)	(58,987)	1,858,210	27,018	921,711
TRANSFERS					
Transfers Out	(334,206)	(313,902)	-	(84,812)	(732,920)
Total Transfers	<u>(334,206)</u>	<u>(313,902)</u>	<u>-</u>	<u>(84,812)</u>	<u>(732,920)</u>
CHANGE IN NET POSITION	(1,238,736)	(372,889)	1,858,210	(57,794)	188,791
Net Position - Beginning of Year	<u>32,776,340</u>	<u>31,444,763</u>	<u>56,185,362</u>	<u>1,988,149</u>	<u>122,394,614</u>
NET POSITION - END OF YEAR	<u>\$ 31,537,604</u>	<u>\$ 31,071,874</u>	<u>\$ 58,043,572</u>	<u>\$ 1,930,355</u>	<u>\$ 122,583,405</u>

(a) As of and for the year ended December 31, 2023.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities				Total
	Major Sewer	Major Water	Major Electric Department (a)	Non-major Solid Waste	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts From Customers and Users	\$ 5,433,416	\$ 7,841,889	\$ 33,497,758	\$ 3,568,529	\$ 50,341,592
Payments to Employees	(1,680,648)	(1,764,775)	(4,467,736)	(616,679)	(8,529,838)
Payments to Vendors	(2,053,542)	(736,552)	(25,487,653)	(2,947,107)	(31,224,854)
Net Cash Provided (Used) by Operating Activities	1,699,226	5,340,562	3,542,369	4,743	10,586,900
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental Receipts	841,664	72,652	1,749	-	916,065
Transfers Out	(334,206)	(313,902)	-	(84,812)	(732,920)
Net Cash Provided (Used) by Noncapital Financing Activities	507,458	(241,250)	1,749	(84,812)	183,145
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Refunds of Customer Advances for Construction	-	-	(10,367)	-	(10,367)
Proceeds from the Issuance of Bonds and Notes	2,540,000	3,526,129	-	-	6,066,129
Premiums Received on Debt Issuances	166,022	93,442	-	-	259,464
Acquisition and Construction of Capital Assets	(1,498,669)	(8,238,975)	(5,029,397)	(260,632)	(15,027,673)
Principal Repayments on Bonds and Notes	(2,075,954)	(970,000)	(60,000)	-	(3,105,954)
Interest Payments	(324,595)	(321,940)	(38,207)	-	(684,742)
Net Cash Used by Capital and Related Financing Activities	(1,193,196)	(5,911,344)	(5,137,971)	(260,632)	(12,503,143)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	19,862	6,537	1,093,106	29,888	1,149,393
Sales (Purchases) of Investments	-	-	355,738	-	355,738
Net Cash Provided by Investing Activities	19,862	6,537	1,448,844	29,888	1,505,131
CHANGE IN CASH AND CASH EQUIVALENTS	1,033,350	(805,495)	(145,009)	(310,813)	(227,967)
Cash and Cash Equivalents - Beginning of Year	4,376,882	2,907,849	7,160,914 *	2,902,630	17,348,275
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,410,232</u>	<u>\$ 2,102,354</u>	<u>\$ 7,015,905</u>	<u>\$ 2,591,817</u>	<u>\$ 17,120,308</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (1,583,181)	\$ 153,622	\$ 371,941	\$ (2,870)	\$ (1,060,488)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities not Requiring Current Cash Flows:					
Depreciation Expense	2,023,477	1,101,762	1,696,759	70,287	4,892,285
Change in Net OPEB Liability/Asset	353,853	(630,515)	(322,418)	(175,171)	(774,251)
Change in Net Pension Liability	(1,001,820)	262,660	4,394,031	(128,501)	3,526,370
Change in Deferred Outflows - Pension	557,846	(95,190)	(998,739)	115,149	(420,934)
Change in Deferred Inflows - Pension	401,069	8,724	(2,424,881)	29,914	(1,985,174)
Change in Deferred Outflows - OPEB	6,705	(47,356)	578,524	(123,511)	414,362
Change in Deferred Inflows - OPEB	413,809	553,927	(61,426)	146,435	1,052,745
Effect of Changes in Operating Assets and Liabilities:					
Accounts Receivable	530,148	(278,672)	250,847	(136,687)	365,636
Inventory	-	-	(128,473)	-	(128,473)
Prepaid Expenses	-	-	(28,321)	-	(28,321)
Purchased Power Advances Deposits	-	-	(118,568)	-	(118,568)
Accounts Payable	(3,958)	592,931	272,360	210,863	1,072,196
Customer Deposits	-	-	39,099	-	39,099
Unearned Revenues	-	3,726,147	-	-	3,726,147
Compensated Absences	1,278	(7,478)	21,634	(1,165)	14,269
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,699,226</u>	<u>\$ 5,340,562</u>	<u>\$ 3,542,369</u>	<u>\$ 4,743</u>	<u>\$ 10,586,900</u>

(a) As of and for the year ended December 31, 2023.

* Cash balance was adjusted to agree with separately audited financial statements.

See accompanying Notes to Financial Statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	Pension and Other Postemployment Benefit Trust Funds (a)	Private Purpose Trust Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 1,988,121	-
Investments:		
Corporate Bonds	2,379,174	228,808
Federal Agency Securities	-	34,591
Fixed Income Securities	800,043	-
Equity Securities	36,241,857	125,934
Mutual Funds	112,393,339	-
Private Equity Funds	20,198,649	5,036
U.S. Treasury Notes	-	228,950
Contribution Receivable	164,046	-
Total Assets	<u>174,165,229</u>	<u>623,319</u>
 LIABILITIES		
Accounts Payable	<u>688,283</u>	-
Total Liabilities	<u>688,283</u>	-
 NET POSITION		
Restricted for Pensions	157,845,229	-
Restricted for Other Postemployment Benefits	15,631,717	-
Held in Trust for Private Purposes	<u>-</u>	<u>623,319</u>
 Total Net Position	<u>\$ 173,476,946</u>	<u>\$ 623,319</u>

See accompanying Notes to Financial Statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024**

	<u>Pension and Other Postemployment Benefit Trust Funds (a)</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS		
Contributions:		
Employer	\$ 12,686,702	\$ -
Employee	3,027,644	-
Other	595,407	10,196
Total Contributions	<u>16,309,753</u>	<u>10,196</u>
Net Investment Income:		
Net Appreciation in Fair Value of Investments	22,850,379	31,380
Interest and Dividends	2,282,977	20,718
Less: Investment Management Fees	<u>(848,742)</u>	<u>-</u>
Total Net Investment Income	24,284,614	52,098
Other Income	<u>26,786</u>	<u>-</u>
Total Additions	40,621,153	62,294
DEDUCTIONS		
Pension Benefits and Refunds to Plan Members:		
Benefits to Retirees and Survivors	10,578,693	-
Member Refunds	247,247	-
Transfers and Reimbursements to Other Systems	1,293,276	-
Other Postemployment Benefits	6,776,078	
Administrative Expenses:		
Operations Payroll and Related Personnel Costs	127,086	-
Other Administrative Expenses	770,421	-
Scholarships Awarded	<u>-</u>	<u>35,038</u>
Total Deductions	<u>19,792,801</u>	<u>35,038</u>
CHANGE IN NET POSITION	20,828,352	27,256
Net Position - Beginning of Year	<u>152,648,594</u>	<u>596,063</u>
NET POSITION - END OF YEAR	<u>\$ 173,476,946</u>	<u>\$ 623,319</u>

(a) Refer to Note 3 to the financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions, and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. Three entities have been included as component units in the reporting entity, because of the significance of its operational and/or financial relationship.

Component Unit Presented as a Fiduciary Fund – The following component units are presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the Town and the component units.

Fiduciary Fund Component Units

(1) The North Attleborough Contributory Retirement System ("System") was established to provide benefits to Town employees, the Electric Department, and the North Attleborough Housing Authority, and their beneficiaries. Board members of the System consist of the Town Accountant (or similar position), two members elected by the participants in or retired from the service of the System, one member appointed by the Town Council, and one member appointed by the other members of the Board. The System is presented using the accrual basis of accounting and is reported in the pension and other postemployment benefits trust funds in the fiduciary fund financial statements. The System is reported as of December 31, 2023 in the accompanying basic financial statements.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Fiduciary Fund Component Units (Continued)

- (2) The North Attleborough Other Postemployment Benefits Trust Fund (“Fund”) was established to accumulate resources to provide post-retirement benefits other than pensions to retirees and their beneficiaries. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Fund. Benefit provisions are negotiated between the Town and unions representing Town employees and are renegotiated each bargaining period. The Fund is presented using the accrual basis of accounting and is reported in the pension and other postemployment benefits trust funds in the fiduciary fund financial statements. The Fund is reported as of June 30, 2024 in the accompanying basic financial statements.
- (3) The North Attleborough Electric Department Other Postemployment Benefits Trust Fund (“Fund”) was established to accumulate resources to provide post-retirement benefits other than pensions to retirees and their beneficiaries. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Fund. Benefit provisions are negotiated between the Electric Department and unions representing Electric Department employees and are renegotiated each bargaining period. The Fund is presented using the accrual basis of accounting and is reported in the pension and other postemployment benefits trust funds in the fiduciary fund financial statements. The Fund is reported as of December 31, 2023 in the accompanying basic financial statements.

Availability of Financial Information for Component Units and Electric Light Department

The North Attleborough Contributory Retirement System issues a separate audited financial statement. That report may be obtained by contacting the System located at 500 East Washington Street, Tower Square, Unit 21, North Attleborough, MA 02760.

The North Attleborough Other Postemployment Benefits Trust Fund does not issue a publicly available financial report that includes financial statements and related notes. The Fund is included as a pension and other postemployment benefits trust fund in the fiduciary fund financial statements. Additional note disclosures can be found at Note 10.

The North Attleborough Electric Department issues a publicly available financial report that includes financial statements and required supplemental information. Copies of these financial statements may be obtained by writing to the North Attleborough Electric Department, 275 Landry Avenue, North Attleborough, MA 02760. The fund is reported as of December 31, 2023 in the accompanying basic financial statements.

The North Attleborough Electric Department Other Postemployment Benefits Trust Fund is audited with the Electric Department audited financial statements above. The Fund is included as a pension and other postemployment benefits trust fund in the fiduciary fund financial statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Venture – 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 2024, 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

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are primarily supported by user fees.

Fund Financial Statements

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.

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

Government-Wide Financial Statements

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

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

Program revenues include the following:

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

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

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Government-Wide Financial Statements (Continued)

Except for charges between the general fund and enterprise funds, the effect of interfund activity has been eliminated from the government-wide financial statements. Eliminations of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

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

Real estate and personal property tax revenues are considered available if they collected within 60-days after the end of the fiscal year. Investment is susceptible to accrual. Other receipts become measurable and available when the cash is received and are recognized as revenue at that time.

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

The following major governmental funds are reported:

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.

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

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.

Capital Project Funds – are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds. Capital projects exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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.

Proprietary fund financial statements are reported using the flow of 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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary funds are reported:

Sewer Enterprise Fund – is used to account for the Town's sewer activities.

Water Enterprise Fund – is used to account for the Town's water activities.

Electric Light Department – is used to account for the operations of the municipal electric plant's activities.

The nonmajor proprietary fund consist of the solid waste enterprise fund used to account for the Town's solid waste activities.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity 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.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments

Government-Wide and Fund Financial Statements

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

Investments are carried at fair value, net asset value (NAV), or amortized cost, as further described in Note 3.

E. Receivables

Government-Wide and Fund Financial Statements

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

Real Estate Taxes, Personal Property Taxes, and Tax Liens

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 tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

Motor Vehicle Excise Taxes

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

User Charges and Utility Liens

User charges and liens consist primarily of amounts due from residents for the providing of services by various department, including the Electric Department.

Departmental and Other

Departmental and other receivables primarily consist of police and fire details and are recorded as receivables in the fiscal year accrued.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables (Continued)

Government-Wide and Fund Financial Statements (Continued)

Intergovernmental

Various state and federal operating and capital grants are applied for and received annually. For nonexpenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

Loans

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

Opioid Settlements

Opioid settlements receivable represent the Town's allocation of national settlement proceeds from pharmaceutical distributors to be received in future years in accordance with the national settlement agreement as well as the subdivision agreement with the Commonwealth.

F. Allowance for Uncollectible Amounts

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Personal property taxes
- Motor vehicle and other excise taxes
- Electric Department user charges and liens

The following types of accounts receivable are secured via the lien process and are considered 100 percent collectible. Accordingly, an allowance for uncollectible amounts is not reported.

- Real estate taxes and tax liens
- Water, sewer, and solid waste user charges and liens
- Loans

Intergovernmental and opioid settlement receivables are considered 100 percent collectible.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase in governmental funds. 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 using the average cost method.

H. Restricted Assets

Government-Wide and Fund Financial Statements

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

I. Capital Assets

Government-Wide and Proprietary Funds Financial Statements

Capital assets, which consist of 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 and the proprietary funds' financial statements.

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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

Land Improvements	20 Years
Buildings and Improvements	20 to 40 Years
Vehicles, Machinery, and Equipment	5 to 10 Years
Infrastructure	30 to 75 Years

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

Government-Wide and Proprietary Funds Financial Statements (Continued)

Additionally, the statutory provision for depreciation of Electric Department utility plant is computed on the straight-line method at 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 Commonwealth stipulates that the Electric Department may change from the statutory depreciation rate only with the approval of the DPU. In anticipation of funding future capital projects, the Electric Department used an overall depreciate rate of 3%, which was also the prior year's rate. These rates approximate GAAP based on the average age of the utility plant assets.

Governmental Funds Financial Statements

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

J. Interfund Transfers

During the course of its operations, resources are permanently reallocated between funds.

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Unearned Revenue

Unearned revenue is presented in the governmental-wide statement of net position and governmental fund balance sheet and represents federal grants received by the Town in advance of meeting eligibility requirements for revenue recognition.

L. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred outflows of resources related to pensions and OPEB are reported in the government-wide and proprietary funds' statements of net position.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

Government-Wide Financial Statements (Continued)

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Town has recorded a rate stabilization reserve, and future lease receipts as deferred inflows of resources in the government-wide statement of net position. The Town has also reported deferred inflows of resources related to pensions and OPEB in this category.

Governmental Fund Financial Statements

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

M. Net Position and Fund Balances

Government-Wide Financial Statements and Proprietary Funds Financial Statements (Net Position)

Net position represents the residual difference between assets and deferred outflows less liabilities and deferred inflows.

Net position is reported as restricted when amounts are restricted by outside parties for a specific future use.

Net position has been restricted for the following:

“Depreciation” represents amounts restricted in the Electric Department for the statutory reserve for capital improvements.

“Insurance” represents amounts restricted in the Electric Department for the future costs of insurance expenses.

“Permanent funds – expendable” represents amounts held in trust for which the expenses are restricted by various trust agreements.

“Permanent funds – nonexpendable” represents amounts held in trust for which only investment earnings may be expended.

“Grants, Gifts and Other specific purposes” represents other restrictions placed on assets from outside parties.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Net Position and Fund Balances (Continued)

Government-Wide Financial Statements and Proprietary Funds Financial Statements (Net Position) (Continued)

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

Governmental Funds Financial Statements (Fund Balances)

The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable - Represents amounts that cannot be spent either because they are in nonspendable form (i.e., loans receivables) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

Restricted - Represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

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 Council action, and can be modified or rescinded through these actions.

Assigned - Represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. The Town Council has the authority to assign fund balance.

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.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Long-Term Debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary funds statements of net position. Material bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

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

O. 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 Massachusetts General Law (MGL).

Investment income from permanent, proprietary and fiduciary funds is retained by the respective funds.

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon employee retirements and resignations.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Pensions

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

R. Other Postemployment Benefits

In addition to providing pension benefits, and as more fully described in Note 9, the Town provides health and life insurance coverage for current and future retirees and their spouses.

S. Use of Estimates

Government-Wide and Fund Financial Statements

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

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved at the Town Council. The Town Manager presents an annual budget to the Town Council. Town Council, which has full authority to amend and/or reject the budget or any line items, adopts the expenditure budget by majority vote.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses, and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service and certain other amounts, regardless of whether such amounts are appropriated.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2024 general fund budget consisted of \$108,219,258 in appropriations and other amounts to be raised. During 2024, the Town authorized supplemental appropriations for the general fund totaling \$ 4,533,158, for a total budget of \$112,752,416.

The Town Manager has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

B. Fund Deficits

At June 30, 2024, the following governmental fund deficits exist:

Fund	Amount	Funding Source
Nonmajor Governmental Funds:		
Federal Grants	\$ 59,988	Federal Grants
State Grants	421,687	State Grants
Revolving Funds	418,544	Insurance Proceeds
Police and Fire Detail	93,467	User Charges
Total Nonmajor Governmental Funds	<u>993,686</u>	
Total Governmental Funds	<u>\$ 993,686</u>	

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS

The municipal finance laws of the Commonwealth authorize the Town to invest temporarily idle cash in bank term deposits and certificates of deposits, and U.S. Treasury and Agency obligations, with maturities of one year or less; U.S. Treasury or Agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer's investment pool – the Massachusetts Municipal Depository Trust (MMDT). The Treasurer also has expanded investment powers as it relates to certain trust funds (as defined by the Commonwealth), permanent funds and fiduciary funds, which permits investments in equity and other securities.

The MMDT is an external investment pool that meets the criteria established under GASB 79 to report its investments at amortized cost. As such, the Town reports its investments in MMDT at amortized cost which approximates the net asset value of \$1.00 per share.

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments. The deposits and investments of permanent funds and private purpose trust funds and the pension trust funds are held separately from other Town funds.

The following table reconciles total Town cash and investments as reported in the financial statements to presentation of these same amounts in the Notes to Basic Financial Statements:

	Primary Government		Fiduciary Funds				Other Fiduciary Funds	Totals
	Governmental Activities	Business-Type Activities	Pension and OPEB Trust Fund			Private Purpose Trust Funds		
			Town OPEB Trust Fund	Electric Department OPEB Trust Fund (As of 12/31/23)	Pension Trust (As of 12/31/23)			
Cash and Cash Equivalents	\$ 46,493,311	\$ 17,120,308	\$ 41,132	\$ 29,572	\$ 1,917,417	\$ 1,988,121	\$ -	\$ 65,601,740
Investments	<u>15,624,964</u>	<u>40,785,666</u>	<u>8,465,751</u>	<u>7,095,262</u>	<u>156,452,049</u>	<u>172,013,062</u>	<u>623,319</u>	<u>229,047,011</u>
Total	\$ 62,118,275	\$ 57,905,974	\$ 8,506,883	\$ 7,124,834	\$158,369,466	\$174,001,183	\$ 623,319	\$294,648,751
Carrying Value of Cash:								
Primary Government	\$ 62,633,686							
Pension Trust	1,917,417							
Investments Considered Cash and Cash Equivalents:								
Money Market Mutual Funds	70,168							
External Investment Pool MMDT	<u>980,469</u>							
Cash and Cash Equivalents	<u>65,601,740</u>							
U.S. Treasury Securities	25,474,482							
U.S. Agencies	250,407							
Equity Mutual Funds	105,006,084							
Fixed Income Mutual Funds	27,585,904							
Equity Securities	37,990,008							
Certificates of Deposit	2,904,419							
Corporate Bonds	<u>29,835,707</u>							
Investments	<u>229,047,011</u>							
Total Cash, Cash Equivalents and Investments	\$294,648,751							

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Town and Electric Department (Including Private Purpose Trust Funds and excluding OPEB and Pension Trust Funds)

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town and Electric Department’s deposits may not be recovered. The Town and Electric Department’s investment policy states that no more than 25% of the Town and Electric Department’s deposits may be comprised of unsecured bank deposits.

At the respective year-ends of the Town and the Electric Department, the carrying amount of deposits totaled \$62,633,686. None of the balances were exposed to custodial credit risk at June 30, 2024.

Investments Summary

The Town and Electric Department’s investments at June 30, 2024 (December 31, 2023 for the Electric Department) are presented as follows:

Investment Type	Total Amount	Investment Maturities (in Years)		
		Less Than 1	1 - 5	5-10
<u>Debt Securities:</u>				
U.S. Treasury Securities	\$ 25,474,481	\$ 16,275,756	\$ 9,198,725	\$ -
U.S. Agencies	250,407	83,278	167,129	-
Money Market Mutual Funds	29,036	29,036	-	-
Certificates of Deposit	2,903,850	1,373,326	1,530,524	-
Corporate Bonds	27,457,102	3,085,819	21,021,785	3,349,498
External Investment Pool MMDT	980,469	980,469	-	-
Total Debt Securities	<u>57,095,345</u>	<u>\$ 21,827,684</u>	<u>\$ 31,918,163</u>	<u>\$ 3,349,498</u>
<u>Other Investments:</u>				
Equity Securities	948,109			
Total Investments	<u>\$ 58,043,454</u>			

Investments – Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Town and Electric Department’s investment policy requires that it manage the duration of its investments to mitigate interest rate risk.

Investments – Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the Town and Electric Department will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town and Electric Department’s investment policy contains provisions related to custodial credit risk. As of June 30, 2024 (December 31, 2023 for the Electric Department), the Town and Electric Department were not exposed to custodial credit risk.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Town and Electric Department (Including Private Purpose Trust Funds and excluding OPEB and Pension Trust Funds) (Continued)

Investments – Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Town and Electric Department’s policy is to limit investments in debt securities to government agencies and government sponsored enterprises, with the exception of the trust funds, which are not limited, as means of limiting credit risk. As of June 30, 2024 (December 31, 2023 for the Electric Department), the credit quality ratings of the Town and Electric Department’s debt securities are as follows:

Investment Type	Total Amount	Quality Ratings *						
		AAA	A-	A+	A	BBB+	BBB	Unrated
U.S. Treasury Securities	\$ 25,474,481	\$ 25,474,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agencies	250,407	250,407	-	-	-	-	-	-
Money Market Mutual Funds	29,036	-	-	-	-	-	-	29,036
Certificates of Deposit	2,903,850	498,708	-	-	-	-	-	2,405,142
Corporate Bonds	27,457,102	204,930	391,063	210,103	620,496	30,297	198,887	25,801,326
External Investment Pool MMDT	980,469	-	-	-	-	-	-	980,469
Total	\$ 57,095,345	\$ 26,428,526	\$ 391,063	\$ 210,103	\$ 620,496	\$ 30,297	\$ 198,887	\$ 29,215,973

Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town and Electric Department’s investment in a single issuer. The Town and Electric Department’s investment policy seeks to minimize the risk by diversifying its investment portfolio so that the impact of potential losses from one type of security or issuer will be minimalized.

The Town and Electric Department do not have any investments in any one issuer that represents 5% or more of its total investments requiring disclosure in these financial statements.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Town and Electric Department (Including Private Purpose Trust Funds and excluding OPEB and Pension Trust Funds) (Continued)

Investments – Fair Value Measurements

The Town and Electric Department categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town and Electric Department has the following recurring fair value measurements as of June 30, 2024 (December 31, 2023 for the Electric Department):

Investment Type	Total Amount	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments Measured by Fair Value Level</u>				
U.S. Treasury Securities	\$ 25,474,481	\$ 25,474,481	\$ -	\$ -
U.S. Agencies	250,407	250,407	-	-
Equity Securities	948,109	948,109	-	-
Corporate Bonds	27,457,102	-	27,457,102	-
Total Investments by Fair Value Level	<u>54,130,099</u>	<u>\$ 26,672,997</u>	<u>\$ 27,457,102</u>	<u>\$ -</u>
Total Investments Measured by Fair Value Level	<u>54,130,099</u>			
<u>Investments Measured at Amortized Cost:</u>				
Money Market Mutual Funds	29,036			
Certificates of Deposit	2,903,850			
External Investment Pool MMDT	980,469			
Total Investments Measured at Amortized Cost	<u>3,913,355</u>			
Total Investments	<u>\$ 58,043,454</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Town OPEB Trust

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town Other Postemployment Benefits Trust’s deposits may not be recovered. The Town OPEB Trust’s investment policy states that no more than 25% of their deposits may be comprised of unsecured bank deposits.

As of June 30, 2024, the Trust did not hold any deposits.

Investments Summary

The Town and Electric Department’s investments at June 30, 2024 are presented as follows:

Investment Type	Total Amount	Investment Maturities (in Years)		
		Less Than 1	1 - 5	5-10
<u>Debt Securities:</u>				
Money Market Mutual Funds	\$ 41,132	\$ 41,132	\$ -	\$ -
Fixed Income Mutual Funds	2,043,783	2,043,783	-	-
Total Debt Securities	<u>2,084,915</u>	<u>\$ 2,084,915</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other Investments:</u>				
Equity Securities	<u>2,261,886</u>			
Total Investments	<u>\$ 8,506,883</u>			

Investments – Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Town OPEB Trust’s investment policy requires that it manage the duration of its investments to mitigate interest rate risk.

Investments – Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the Town Other Postemployment Benefits Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town Other Postemployment Benefits Trust’s investment policy contains provisions related to custodial credit risk. As of June 30, 2024, the Town OPEB Trust was not exposed to custodial credit risk.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Town OPEB Trust (Continued)

Investments – Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Town OPEB Trust's policy is to limit investments in debt securities to government agencies and government sponsored enterprises, with the exception of the trust funds, which are not limited, as means of limiting credit risk. As of June 30, 2024, the Town OPEB Trust was not exposed to credit risk.

Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town OPEB Trust's investment in a single issuer. The Town OPEB Trust's investment policy seeks to minimize the risk by diversifying its investment portfolio so that the impact of potential losses from one type of security or issuer will be minimalized.

The Town OPEB Trust does not have any investments in any one issuer that represents 5% or more of its total investments requiring disclosure in these financial statements.

Investments – Fair Value Measurements

The Town OPEB Trust categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town's OPEB Trust has the following recurring fair value measurements as June 30, 2024:

Investment Type	Total Amount	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments Measured by Fair Value Level</u>				
Equity Securities	\$ 2,261,886	\$ 2,261,886	\$ -	\$ -
Equity Mutual Funds	4,160,082	4,160,082	-	-
Fixed Income Mutual Funds	2,043,783	-	2,043,783	-
Total Investments by Fair Value Level	<u>8,465,751</u>	<u>\$ 6,421,968</u>	<u>\$ 2,043,783</u>	<u>\$ -</u>
Total Investments Measured by Fair Value Level	<u>8,465,751</u>			
<u>Investments Measured at Amortized Cost:</u>				
Money Market Mutual Funds	<u>41,132</u>			
Total Investments Measured at Amortized Cost	<u>41,132</u>			
Total Investments	<u>\$ 8,506,883</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Electric Department OPEB Trust

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Electric Department Other Postemployment Benefits Trust’s deposits may not be recovered. The Electric Department Other Postemployment Benefits Trust’s investment policy states that no more than 25% of their deposits may be comprised of unsecured bank deposits.

At December 31, 2023 the carrying amount of the Trust’s deposits totaled \$29,572. The balance was fully insured by Federal Depository Insurance.

Investments Summary

The Electric Department OPEB Trust’s investments at December 31, 2023 are presented as follows:

Investment Type	Total Amount	Investment Maturities (in Years)		
		Less Than 1	1 - 5	5-10
<u>Debt Securities:</u>				
Corporate Bonds	\$ 2,379,174	\$ 218,777	\$ 2,160,397	\$ -
Total Debt Securities	<u>2,379,174</u>	<u>\$ 218,777</u>	<u>\$ 2,160,397</u>	<u>\$ -</u>
<u>Other Investments:</u>				
Equity Mutual Funds	<u>4,716,088</u>			
Total Investments	<u>\$ 7,095,262</u>			

Investments – Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Electric Department OPEB Trust’s investment policy requires that it manage the duration of its investments to mitigate interest rate risk.

Investments – Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the Electric Department OPEB Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Electric Department OPEB Trust’s investment policy contains provisions related to custodial credit risk. As of December 31, 2023, the Electric Department OPEB Trust was not exposed to custodial credit risk.

Investments – Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Electric Department OPEB Trust’s policy is to limit investments in debt securities to government agencies and government sponsored enterprises, with the exception of the trust funds, which are not limited, as means of limiting credit risk. As of December 31, 2023, the Electric Department OPEB Trust was not exposed to credit risk.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Electric Department OPEB Trust (Continued)

Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Electric Department OPEB Trust’s investment in a single issuer. The Electric Department OPEB Trust’s investment policy seeks to minimize the risk by diversifying its investment portfolio so that the impact of potential losses from one type of security or issuer will be minimalized.

The Electric Department OPEB Trust does not have any investments in any one issuer that represents 5% or more of its total investments requiring disclosure in these financial statements.

Investments – Fair Value Measurements

The Electric Department Other Postemployment Benefits Trust categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Electric Department OPEB Trust has the following recurring fair value measurements as December 31, 2023:

Investment Type	Total Amount	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities	\$ -	\$ -	\$ -	\$ -
Equity Mutual Funds	4,716,088	4,716,088	-	-
Fixed Income Mutual Funds	-	-	-	-
Total Investments by Fair Value Level	<u>7,095,262</u>	<u>\$ 4,716,088</u>	<u>\$ 2,379,174</u>	<u>\$ -</u>
Total Investments Measured by Fair Value Level	<u>7,095,262</u>			
Total Investments	<u>\$ 7,095,262</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

Investments classified in Level 2 are valued using matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Pension Trust Fund (System)

Deposits – Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the System’s deposits may not be recovered. The System’s policy for custodial credit risk of deposits is to rely on federal and supplementary insurance coverage for deposits held at each financial institution.

As of December 31, 2023, \$271,797 of the System’s bank balance was uninsured, uncollateralized and exposed to custodial credit risk.

Investments Summary

The System’s investments at December 31, 2023 are presented as follows:

Investment Type	Total Amount	Investment Maturities (in Years)		
		Less Than 1	1 - 5	5-10
<u>Debt Securities:</u>				
Fixed Income Mutual Funds	\$ 25,542,122	\$ 25,542,122	\$ -	\$ -
Total Debt Securities	<u>25,542,122</u>	<u>\$ 25,542,122</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Other Investments:</u>				
Equity Securities	34,780,013			
Equity Mutual Funds	75,931,265			
Private Equity Funds	<u>20,198,649</u>			
Total Investments	<u>\$156,452,049</u>			

Investments – Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The System’s investment policy requires that it manage the duration of its investments to mitigate interest rate risk.

Investments – Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System’s investment policy intends that all investments are either insured and/or registered in the name of the System. As of December 31, 2023, the System was not exposed to custodial credit risk.

Investments – Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The System’s policy is to rely on credit ratings assigned by nationally recognized credit rating agencies like Moody’s Investors Services and Standard and Poor’s Financial Services. The System does voluntarily self-impose certain investment restrictions; however, those can be changed at the Board’s discretion. As of December 31, 2023, the System was not exposed to credit risk.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Pension Trust Fund (System) (Continued)

Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the System’s investment in a single issuer. The System’s investment policy seeks to minimize the risk by diversifying its investment portfolio so that the impact of potential losses from one type of security or issuer will be minimalized.

The following investments held by the System at December 31, 2023 represent 62.3% of the System’s total investments:

Loomis, Sayles & Company Large Cap Growth Fund	12.8 %
Aristotle Value Equity Fund	11.4
Rhumbline S&P 500 Fund	11.3
Rhumbline Core Bond Fund	10.5
Brandes Core Fixed Income Fund	5.9
Vontobel International Equity Fund	5.2
Lazard International Strategic Equity Portfolio	5.2

Investments – Fair Value Measurements

The System categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The System has the following recurring fair value measurements as December 31, 2023:

Investment Type	Total Amount	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments Measured by Fair Value Level</u>				
Equity Securities	\$ 34,780,013	\$ 34,780,013	\$ -	\$ -
Fixed Income Mutual Funds	25,542,122	9,188,794	16,353,328	-
Domestic and International Equity Mutual Funds	63,530,390	25,914,423	37,615,967	-
Total Investments by Fair Value Level	<u>123,852,525</u>	<u>\$ 69,883,230</u>	<u>\$ 53,969,295</u>	<u>\$ -</u>
<u>Investments Measured at NAV:</u>				
Domestic and International Equity Mutual Funds	12,400,875			
Private Equity Funds	20,198,649			
Total Investments Measured at NAV	<u>32,599,524</u>			
Total Investments	<u>\$156,452,049</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for those securities.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits and Investments – Pension Trust Fund (System) (Continued)

Investments – Fair Value Measurements (Continued)

Investments classified in Level 2 are valued using matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

<u>Investments Measured at NAV:</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>
Domestic and International Equity Mutual Funds	\$ 12,400,875	\$ -
Private Equity Funds	20,198,649	-
Total Investments Measured at NAV	<u>\$ 32,599,524</u>	<u>\$ -</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 System is a general partner in its private equity investments. The value of these investments are recorded at values determined in good faith by the general partners of the private equity 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.

NOTE 4 ACCOUNTS RECEIVABLE

At June 30, 2024, receivables for the individual major governmental funds and nonmajor governmental and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real Estate Taxes	\$ 1,150,998	\$ -	\$ 1,150,998
Personal Property Taxes	134,093	(32,085)	102,008
Tax Liens	855,936	-	855,936
Motor Vehicle and Other Excise Taxes	1,124,252	(457,436)	666,816
Departmental and Other	4,100,125	(1,885,959)	2,214,166
Intergovernmental	2,099,185	-	2,099,185
Leases	141,263	-	141,263
Total	<u>\$ 9,605,852</u>	<u>\$ (2,375,480)</u>	<u>\$ 7,230,372</u>

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 RECEIVABLES (CONTINUED)

At June 30, 2024 and December 31, 2023, receivables for the water, sewer, solid waste, and Electric Department enterprise funds consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Receivables:			
<i>Sewer</i>			
User Charges	\$ 1,597,078	\$ -	\$ 1,597,078
Utility Liens	41,348	-	41,348
Intergovernmental	4,720,702	-	4,720,702
<i>Water</i>			
User Charges	1,696,855	-	1,696,855
Utility Liens	53,126	-	53,126
Intergovernmental	739,218	-	739,218
<i>Solid Waste</i>			
User Charges	650,554	-	650,554
Utility Liens	32,844	-	32,844
<i>Electric Department</i>			
User Charges	2,104,025	(292,340)	1,811,685
Total	<u>\$ 11,635,750</u>	<u>\$ (292,340)</u>	<u>\$ 11,343,410</u>

The sewer enterprise fund reports deferred inflows of \$4,711,244 from an intermunicipal agreement with Plainville. Under this agreement, Plainville pays its share of debt for infrastructure upgrades. The sewer enterprise recognizes this revenue over the period of the debt instruments.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 (December 31, 2023 for the Electric Department) was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 9,469,307	\$ -	\$ -	\$ 9,469,307
Total Capital Assets Not Being Depreciated	9,469,307	-	-	9,469,307
Capital Assets Being Depreciated:				
Buildings and Improvements	81,141,515	10,846,725	-	91,988,240
Infrastructure	76,819,041	1,389,242	-	78,208,283
Machinery and Equipment	26,904,131	2,651,063	(274,598)	29,280,596
Vehicles	4,507,453	971,612	(382,974)	5,096,091
Total Capital Assets Being Depreciated	<u>189,372,140</u>	<u>15,858,642</u>	<u>(657,572)</u>	<u>204,573,210</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(47,419,309)	(3,378,827)	-	(50,798,136)
Infrastructure	(47,143,630)	(1,564,822)	-	(48,708,452)
Machinery and Equipment	(17,427,414)	(1,804,623)	274,598	(18,957,439)
Vehicles	(3,239,222)	(494,035)	359,696	(3,373,561)
Total Accumulated Depreciation	<u>(115,229,575)</u>	<u>(7,242,307)</u>	<u>634,294</u>	<u>(121,837,588)</u>
Total Capital Assets Being Depreciated, Net	<u>74,142,565</u>	<u>8,616,335</u>	<u>(23,278)</u>	<u>82,735,622</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 83,611,872</u>	<u>\$ 8,616,335</u>	<u>\$ (23,278)</u>	<u>\$ 92,204,929</u>

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Sewer Enterprise Fund:				
Capital Assets Not Being Depreciated:				
Land	\$ 4,188	\$ -	\$ -	\$ 4,188
Total Capital Assets Not Being Depreciated	4,188	-	-	4,188
Capital Assets Being Depreciated:				
Buildings and Improvements	2,126,164	1,091,344	-	3,217,508
Infrastructure	102,723,754	407,325	-	103,131,079
Machinery and Equipment	1,191,240	-	-	1,191,240
Vehicles	333,145	-	-	333,145
Total Capital Assets Being Depreciated	106,374,303	1,498,669	-	107,872,972
Less Accumulated Depreciation for:				
Buildings and Improvements	(958,538)	(65,043)	-	(1,023,581)
Infrastructure	(48,666,514)	(1,904,988)	-	(50,571,502)
Machinery and Equipment	(1,000,597)	(53,446)	-	(1,054,043)
Vehicles	(333,145)	-	-	(333,145)
Total Accumulated Depreciation	(50,958,794)	(2,023,477)	-	(52,982,271)
Total Capital Assets Being Depreciated, Net	55,415,509	(524,808)	-	54,890,701
Total Sewer Enterprise Capital Assets, Net	<u>\$ 55,419,697</u>	<u>\$ (524,808)</u>	<u>\$ -</u>	<u>\$ 54,894,889</u>
Water Enterprise Fund:				
Capital Assets Not Being Depreciated:				
Land	\$ 151,654	\$ -	\$ -	\$ 151,654
Total Capital Assets Not Being Depreciated	151,654	-	-	151,654
Capital Assets Being Depreciated:				
Buildings and Improvements	1,573,570	-	-	1,573,570
Infrastructure	62,011,136	7,821,202	-	69,832,338
Machinery and Equipment	3,822,542	417,773	-	4,240,315
Vehicles	759,458	-	-	759,458
Total Capital Assets Being Depreciated	68,166,706	8,238,975	-	76,405,681
Less Accumulated Depreciation for:				
Buildings and Improvements	(663,126)	(41,203)	-	(704,329)
Infrastructure	(22,454,309)	(908,990)	-	(23,363,299)
Machinery and Equipment	(3,205,792)	(103,957)	-	(3,309,749)
Vehicles	(648,593)	(47,612)	-	(696,205)
Total Accumulated Depreciation	(26,971,820)	(1,101,762)	-	(28,073,582)
Total Capital Assets Being Depreciated, Net	41,194,886	7,137,213	-	48,332,099
Total Water Enterprise Capital Assets, Net	<u>\$ 41,346,540</u>	<u>\$ 7,137,213</u>	<u>\$ -</u>	<u>\$ 48,483,753</u>

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Solid Waste Enterprise Fund:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,492	\$ -	\$ -	\$ 3,492
Total Capital Assets Not Being Depreciated	3,492	-	-	3,492
Capital Assets Being Depreciated:				
Buildings and Improvements	426,816	-	-	426,816
Machinery and Equipment	266,835	260,632	-	527,467
Vehicles	68,270	-	-	68,270
Total Capital Assets Being Depreciated	761,921	260,632	-	1,022,553
Less Accumulated Depreciation for:				
Buildings and Improvements	(63,969)	(10,398)	-	(74,367)
Machinery and Equipment	(80,021)	(50,889)	-	(130,910)
Vehicles	(31,521)	(9,000)	-	(40,521)
Total Accumulated Depreciation	(175,511)	(70,287)	-	(245,798)
Total Capital Assets Being Depreciated, Net	586,410	190,345	-	776,755
Total Solid Waste Enterprise Capital Assets, Net	<u>\$ 589,902</u>	<u>\$ 190,345</u>	<u>\$ -</u>	<u>\$ 780,247</u>
Electric Department:				
Capital Assets Not Being Depreciated:				
Land	\$ 99,623	\$ -	\$ -	\$ 99,623
Construction-in-Progress	286,315	398,393	-	684,708
Total Capital Assets Not Being Depreciated	385,938	398,393	-	784,331
Capital Assets Being Depreciated:				
Distribution Plant	40,900,750	3,483,770	(113,405)	44,271,115
General Plant	12,873,750	1,147,234	(63,391)	13,957,593
Generating Plant	2,784,181	-	-	2,784,181
Total Capital Assets Being Depreciated	56,558,681	4,631,004	(176,796)	61,012,889
Less Accumulated Depreciation for:				
Distribution Plant	(30,656,525)	(1,213,166)	113,405	(31,756,286)
General Plant	(9,834,208)	(346,108)	63,391	(10,116,925)
Generating Plant	(275,024)	(137,485)	-	(412,509)
Total Accumulated Depreciation	(40,765,757)	(1,696,759)	176,796	(42,285,720)
Total Capital Assets Being Depreciated, Net	15,792,924	2,934,245	-	18,727,169
Total Electric Department Capital Assets, Net	<u>\$ 16,178,862</u>	<u>\$ 3,332,638</u>	<u>\$ -</u>	<u>\$ 19,511,500</u>

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

	Depreciation/ Amortization
Governmental Activities:	
General Government	\$ 289,577
Public Safety	1,018,557
Education	3,671,666
Public Works	2,047,941
Culture and Recreation	214,566
Total Depreciation/Amortization Expense - Governmental Activities	\$ 7,242,307
Business-Type Activities:	
Sewer	\$ 2,023,477
Water	1,101,762
Solid Waste	70,287
Electric Light	1,696,759
Total Depreciation Expense - Business-Type Activities	\$ 4,892,285

NOTE 6 INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2024 are summarized as follows:

	Transfers In:		
	General Fund	Nonmajor Governmental Funds	Total
Transfers Out:			
General Fund	\$ -	\$ 4,388,820	\$ 4,388,820 (1)
Nonmajor Governmental Funds	2,199,775	-	2,199,775 (2)
Sewer Fund	334,206	-	334,206 (3)
Water Fund	313,902	-	313,902 (3)
Solid Waste Fund	84,812	-	84,812 (3)
Total	\$ 2,932,695	\$ 4,388,820	\$ 7,321,515

(1) Represents transfers from the general fund to capital project fund (\$4,240,950) as voted by the Town Council, Special Education Reserve for (\$60,000) as voted by the Town Council, and (\$87,870) to Reserve for Appropriation for unused Ambulance Funds.

(2) Represents transfers to fund the general fund from various special revenue funds (\$2,197,215) and the capital project fund (\$2,561) for unused funds.

(3) Represents transfers to fund the general fund from the indirect costs.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 LEASES

The Town leases property that expires in 2025. The net present value of future receipts from leased property totaled \$141,263 at June 30, 2024 using a discount rate of 4.21% and is reported as leases receivable in the Town’s nonmajor governmental funds.

The Town reported lease revenues of \$118,709 and interest income on these leases of \$8,551 in fiscal year 2024.

NOTE 8 SHORT-TERM FINANCING

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

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

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

Details related to the short-term debt activity for the fiscal year ended June 30, 2024, is as follows:

Water Enterprise Fund

Type	Maturity Date	Interest Rate	Balance at June 30, 2023	Increases	Decreases	Balance at June 30, 2024
MCWT Interim Note - DWP-22-20	6/30/2024	- %	\$ 3,472,735	\$ -	\$ (3,472,735)	\$ -
MCWT Interim Note - DWP-22-21	6/30/2025	- %	-	2,382,447	-	2,382,447
			<u>\$ 3,472,735</u>	<u>\$ 2,382,447</u>	<u>\$ (3,472,735)</u>	<u>\$ 2,382,447</u>

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 LONG-TERM OBLIGATIONS

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2024 (December 31, 2023 for the Electric Department):

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion
Governmental Activities:					
General Obligation Bonds	\$ 21,605,000	\$ 5,780,000	\$ (2,935,000)	\$ 24,450,000	\$ 2,925,000
Unamortized Bond Premiums	849,590	390,594	(146,905)	1,093,279	168,748
Compensated Absences	343,651	9,526	-	353,177	123,612
Total Government Activities	<u>\$ 22,798,241</u>	<u>\$ 6,180,120</u>	<u>\$ (3,081,905)</u>	<u>\$ 25,896,456</u>	<u>\$ 3,217,360</u>
Business-Type Activities - Sewer:					
General Obligation Bonds	\$ 7,765,000	\$ 2,540,000	\$ (840,000)	\$ 9,465,000	\$ 975,000
Direct Borrowings and Placements	20,260,818	-	(1,235,954)	19,024,864	1,169,014
Unamortized Bond Premiums	242,554	166,022	(27,932)	380,644	44,485
Compensated Absences	7,488	1,278	-	8,766	3,068
Total Sewer	<u>28,275,860</u>	<u>2,707,300</u>	<u>(2,103,886)</u>	<u>28,879,274</u>	<u>2,191,567</u>
Business-Type Activities - Water:					
General Obligation Bonds	8,925,000	1,510,000	(970,000)	9,465,000	1,070,000
Direct Borrowings and Placements	-	3,106,417	-	3,106,417	153,117
Unamortized Bond Premiums	182,045	93,442	(25,718)	249,769	33,754
Compensated Absences	11,709	-	(7,478)	4,231	1,481
Total Water	<u>9,118,754</u>	<u>4,709,859</u>	<u>(1,003,196)</u>	<u>12,825,417</u>	<u>1,258,352</u>
Business-Type Activities - Solid Waste:					
Postclosure Landfill Monitoring	1,368,500	-	(92,500)	1,276,000	92,500
Compensated Absences	4,725	-	(1,166)	3,559	1,246
Total Solid Waste	<u>1,373,225</u>	<u>-</u>	<u>(93,666)</u>	<u>1,279,559</u>	<u>93,746</u>
Business-Type Activities - Electric Light:					
General Obligation Bonds	60,000	-	(60,000)	-	-
Customer Deposits	1,220,952	71,771	-	1,292,723	18,516
Customer Advances for Construction	129,649	-	(10,367)	119,282	-
Compensated Absences	431,568	21,634	-	453,202	351,102
Total Electric Light	<u>1,842,169</u>	<u>93,405</u>	<u>(70,367)</u>	<u>1,865,207</u>	<u>369,618</u>
Total Business-Type Activities	<u>\$ 40,610,008</u>	<u>\$ 7,510,564</u>	<u>\$ (3,271,115)</u>	<u>\$ 44,849,457</u>	<u>\$ 3,913,283</u>

Governmental activities long-term liabilities are generally liquidated by the general fund. Business-type activities long-term liabilities are normally paid from the funds reporting the liability.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 LONG-TERM DEBT

Details related to the outstanding indebtedness at June 30, 2024, and the debt service requirements are as follows:

Bonds and Notes Payable – Governmental Funds

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2023	Issued	Redeemed	Outstanding at June 30, 2024
General Obligations:						
Municipal Purpose Bonds - 2007	10/15/27	3.88 - 4.50%	\$ 50,000	\$ -	\$ (15,000)	\$ 35,000
Municipal Purpose Bonds - 2009	6/15/29	2.25 - 4.50%	175,000	-	(35,000)	140,000
Municipal Purpose Bonds - 2010	12/15/26	3.75 - 4.00%	60,000	-	(20,000)	40,000
Municipal Purpose Bonds - 2013	5/15/28	2.00 - 4.00%	440,000	-	(100,000)	340,000
Municipal Purpose Bonds - 2014	5/1/34	2.25 - 3.00%	2,070,000	-	(275,000)	1,795,000
Municipal Purpose Bonds - 2015	5/15/30	2.00 - 3.00%	745,000	-	(200,000)	545,000
Municipal Purpose Bonds - 2016	5/19/25	2.00 - 5.00%	640,000	-	(140,000)	500,000
Municipal Purpose Bonds - 2017	4/11/27	2.00 - 3.00%	1,215,000	-	(185,000)	1,030,000
Municipal Purpose Bonds - 2018	4/3/38	3.00 - 5.00%	1,640,000	-	(165,000)	1,475,000
Municipal Purpose Bonds - 2019	6/3/34	2.00 - 5.00%	1,935,000	-	(355,000)	1,580,000
Municipal Purpose Bonds - 2021	4/15/41	2.00 - 5.00%	3,010,000	-	(325,000)	2,685,000
Municipal Purpose Bonds - 2022	4/6/42	3.00 - 5.00%	4,800,000	-	(765,000)	4,035,000
Municipal Purpose Bonds - 2023	4/27/38	4.00 - 5.00%	4,825,000	-	(355,000)	4,470,000
Municipal Purpose Bonds - 2024	6/5/44	4.00 - 5.00%	-	5,780,000	-	5,780,000
Subtotal			21,605,000	5,780,000	(2,935,000)	24,450,000
Add: Unamortized Premium			849,590	390,594	(146,905)	1,093,279
Total Governmental Funds			\$ 22,454,590	\$ 6,170,594	\$ (3,081,905)	\$ 25,543,279

Debt service requirements for principal and interest for governmental funds in future fiscal years are as follows:

Fiscal Year	General Obligations		Total
	Principal	Interest	
2025	\$ 2,925,000	\$ 963,171	\$ 3,888,171
2026	2,770,000	841,009	3,611,009
2027	2,550,000	719,624	3,269,624
2028	2,040,000	609,440	2,649,440
2029	1,740,000	534,668	2,274,668
2030	1,685,000	465,608	2,150,608
2031	1,595,000	403,778	1,998,778
2032	1,515,000	342,933	1,857,933
2033	1,155,000	284,158	1,439,158
2034	1,090,000	239,093	1,329,093
2035	760,000	198,675	958,675
2036	755,000	171,663	926,663
2037	700,000	144,750	844,750
2038	695,000	118,938	813,938
2039	505,000	93,325	598,325
2040	475,000	74,944	549,944
2041	475,000	57,763	532,763
2042	395,000	40,581	435,581
2043	365,000	25,000	390,000
2044	260,000	10,400	270,400
Total	\$ 24,450,000	\$ 6,339,521	\$ 30,789,521

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 LONG-TERM DEBT (CONTINUED)

Bonds and Notes Payable – Enterprise Funds

Sewer Enterprise

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2023	Issued	Redeemed	Outstanding at June 30, 2024
General Obligations:						
Municipal Purpose Bonds - 2007	10/15/27	4.00 - 4.45%	\$ 280,000	\$ -	\$ (70,000)	\$ 210,000
Municipal Purpose Bonds - 2009	6/15/29	3.88 - 4.50%	300,000	-	(55,000)	245,000
Municipal Purpose Bonds - 2010	12/15/26	3.75 - 4.50%	600,000	-	(200,000)	400,000
Municipal Purpose Bonds - 2014	5/1/34	2.25 - 3.00%	380,000	-	(45,000)	335,000
Municipal Purpose Bonds - 2015	5/15/30	2.00 - 3.00%	630,000	-	(90,000)	540,000
Municipal Purpose Bonds - 2016	5/19/32	2.00 - 5.00%	545,000	-	(65,000)	480,000
Municipal Purpose Bonds - 2018	4/3/38	3.00 - 5.00%	625,000	-	(45,000)	580,000
Municipal Purpose Bonds - 2019	6/3/39	2.00 - 5.00%	745,000	-	(50,000)	695,000
Municipal Purpose Bonds - 2022	4/6/42	3.00 - 5.00%	2,740,000	-	(170,000)	2,570,000
Municipal Purpose Bonds - 2023	4/27/43	4.00 - 5.00%	920,000	-	(50,000)	870,000
Municipal Purpose Bonds - 2024	6/5/44	4.00 - 5.00%	-	2,540,000	-	2,540,000
Direct Borrowings:						
CW-02-41	4/13/24	2.00%	83,500	-	(83,500)	-
CW-03-24	4/13/26	2.00%	9,893	-	(4,947)	4,946
CW-03-33	4/13/26	2.00%	167,106	-	(83,553)	83,553
CW-04-32	10/29/27	2.00%	343,934	-	(112,360)	231,574
CW-05-33	11/22/28	2.00%	212,705	-	(51,592)	161,113
CW-06-36	11/28/29	2.00%	255,504	-	(49,078)	206,426
CW-04-32A	3/12/27	2.00%	30,202	-	(9,867)	20,335
CW-05-32	6/13/32	2.00%	52,332	-	(6,060)	46,272
CW-04-32B	6/22/27	2.00%	19,541	-	(6,384)	13,157
CW-05-32	6/6/32	2.00%	167,357	-	(19,489)	147,868
CW-07-39	6/6/32	2.00%	277,779	-	(32,389)	245,390
CW-10-31	6/7/44	2.00%	10,635,072	-	(414,151)	10,220,921
CW-10-31A	9/10/46	2.00%	8,005,893	-	(362,584)	7,643,309
Subtotal			28,025,818	2,540,000	(2,075,954)	28,489,864
Add: Unamortized Premium			242,554	166,022	(27,932)	380,644
Total Sewer Enterprise			<u>\$ 28,268,372</u>	<u>\$ 2,706,022</u>	<u>\$ (2,103,886)</u>	<u>\$ 28,870,508</u>

Fiscal Year	General Obligations		Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2025	\$ 975,000	\$ 361,146	\$ 1,169,014	\$ 18,513	\$ 2,523,673
2026	970,000	320,796	1,097,451	12,593	2,400,840
2027	770,000	284,206	978,214	7,920	2,040,340
2028	680,000	253,716	937,287	5,077	1,876,080
2029	665,000	227,051	897,231	3,278	1,792,560
2030	620,000	200,121	910,653	1,985	1,732,759
2031	525,000	176,866	924,397	666	1,626,929
2032	520,000	155,911	870,532	-	1,546,443
2033	460,000	135,206	883,578	-	1,478,784
2034	465,000	117,601	896,942	-	1,479,543
2035	410,000	99,281	910,635	-	1,419,916
2036	410,000	86,131	924,662	70,994	1,491,787
2037	410,000	71,981	939,033	96,151	1,517,165
2038	355,000	57,831	953,756	82,357	1,448,944
2039	315,000	45,381	968,843	68,211	1,397,435
2040	230,000	34,106	984,298	53,703	1,302,107
2041	230,000	25,738	1,000,136	38,826	1,294,700
2042	230,000	17,369	1,016,362	23,569	1,287,300
2043	135,000	9,000	1,032,987	7,922	1,184,909
2044	90,000	3,600	364,449	-	458,049
2045	-	-	364,404	-	364,404
Total	<u>\$ 9,465,000</u>	<u>\$ 2,683,038</u>	<u>\$ 19,024,864</u>	<u>\$ 491,765</u>	<u>\$ 31,664,667</u>

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 LONG-TERM DEBT (CONTINUED)

Bonds and Notes Payable – Enterprise Funds (Continued)

Water Enterprise

Project	Maturity Date	Interest Rate	Outstanding at June 30, 2023	Issued	Redeemed	Outstanding at June 30, 2024
General Obligations:						
Municipal Purpose Bonds - 2007	10/15/28	4.00 - 4.50%	\$ 395,000	\$ -	\$ (100,000)	\$ 295,000
Municipal Purpose Bonds - 2009	6/15/29	2.25 - 4.50%	185,000	-	(35,000)	150,000
Municipal Purpose Bonds - 2010	12/15/26	3.75 - 4.00%	90,000	-	(30,000)	60,000
Municipal Purpose Bonds - 2015	5/15/30	2.00 - 5.00%	590,000	-	(125,000)	465,000
Municipal Purpose Bonds - 2016	5/19/32	2.00 - 5.00%	730,000	-	(85,000)	645,000
Municipal Purpose Bonds - 2017	4/11/32	2.00 - 3.00%	470,000	-	(55,000)	415,000
Municipal Purpose Bonds - 2018	4/3/38	3.00 - 5.00%	1,575,000	-	(105,000)	1,470,000
Municipal Purpose Bonds - 2019	6/3/39	2.00 - 5.00%	970,000	-	(65,000)	905,000
Municipal Purpose Bonds - 2021	4/15/41	2.00 - 5.00%	1,605,000	-	(115,000)	1,490,000
Municipal Purpose Bonds - 2022	4/6/42	3.00 - 5.00%	900,000	-	(100,000)	800,000
Municipal Purpose Bonds - 2023	4/27/43	4.00 - 5.00%	1,415,000	-	(155,000)	1,260,000
Municipal Purpose Bonds - 2024	6/5/44	4.00 - 5.00%	-	1,510,000	-	1,510,000
Direct Borrowings:						
DWP-22-01	11/21/44	0.00%	-	3,106,417	-	3,106,417
Subtotal			8,925,000	4,616,417	(970,000)	12,571,417
Add: Unamortized Premium			182,045	93,442	(25,718)	249,769
Total Water Enterprise			<u>\$ 9,107,045</u>	<u>\$ 4,709,859</u>	<u>\$ (995,718)</u>	<u>\$ 12,821,186</u>

Fiscal Year	General Obligations		Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2025	\$ 1,070,000	\$ 337,948	\$ 153,117	\$ -	\$ 1,561,065
2026	1,005,000	294,064	153,347	-	1,452,411
2027	950,000	251,808	153,577	-	1,355,385
2028	845,000	213,749	153,808	-	1,212,557
2029	680,000	185,463	154,039	-	1,019,502
2030	605,000	160,813	154,270	-	920,083
2031	555,000	142,100	154,502	-	851,602
2032	520,000	124,088	154,734	-	798,822
2033	375,000	106,775	154,966	-	636,741
2034	375,000	93,763	155,199	-	623,962
2035	375,000	81,200	155,432	-	611,632
2036	375,000	69,288	155,665	-	599,953
2037	375,000	57,375	155,898	-	588,273
2038	375,000	45,563	156,133	-	576,696
2039	270,000	33,550	156,367	-	459,917
2040	210,000	25,013	156,602	-	391,615
2041	210,000	18,275	156,837	-	385,112
2042	135,000	11,538	157,072	-	303,610
2043	105,000	6,400	157,308	-	268,708
2044	55,000	2,200	157,544	-	214,744
Total	<u>\$ 9,465,000</u>	<u>\$ 2,260,973</u>	<u>\$ 3,106,417</u>	<u>\$ -</u>	<u>\$ 14,832,390</u>

The Town receives subsidy assistance from the Massachusetts Clean Water Trust (MCWT). Principal and interest on the outstanding bonds for MCWT is subsidized over the life of the bonds to assist the Town in the repayment of this future debt. During fiscal year 2024, the Town's subsidy totaled approximately \$14,000. Future subsidies total approximately \$10,000.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 LONG-TERM DEBT (CONTINUED)

On June 5, 2024, the Town issued \$9,830,000 of General Obligation Bonds to finance the various projects include school roof, library repairs, and sewer and water infrastructure. The bonds bear interest at 4.00 – 5.00% and mature in June 2044.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2023, the Town had the following authorized and unissued debt:

Purpose	Amount
Mckeeon Plant PFAS Removal (Water)	\$ 10,000,000
WWTF Grit Elevator & Screw	2,300,000
10 Mile (Ten Mile) River Improvements	1,500,000
Fals School HVAC/Boiler	750,000
Adamsdale Plant PFAs Removal System	739,211
Roads, Bridges, Sidewalks, & Lots	700,000
Roads, Bridges, & Sidewalks	500,000
Kelly Blvd Wells	400,000
10-Wheel Dump Truck Truck - Vehicle	325,000
WWTF Disk Filters	200,000
WWTF Aeration Diffusers	145,000
Total	\$ 17,559,211

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 FUND BALANCES

The constraints on fund balances as listed in aggregate in the Governmental Funds Balance Sheet are detailed as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Permanent Fund Principal	\$ -	\$ 2,489,186	\$ 2,489,186
Inventory	39,623	-	39,623
Subtotal - Nonspendable	<u>39,623</u>	<u>2,489,186</u>	<u>2,528,809</u>
Restricted:			
Expendable Permanent Funds	-	615,114	615,114
School Lunch	-	712,638	712,638
Circuit Breaker	-	511,812	511,812
Federal Grants	-	311,971	311,971
State Grants	-	1,499,604	1,499,604
Revolving Funds	-	4,274,824	4,274,824
Ambulance	-	2,784,891	2,784,891
Chapter 90	-	18,375	18,375
Capital Projects Funded by Debt	-	8,696,861	8,696,861
Other	-	733,615	733,615
Subtotal - Restricted	<u>-</u>	<u>20,159,705</u>	<u>20,159,705</u>
Committed:			
Capital Projects Funded by Free Cash	-	8,340,726	8,340,726
Capital Stabilization	4,426,033	-	4,426,033
Betterment Stabilization	5,596	-	5,596
Subsequent Years's Expenditures	755,000	-	755,000
Subtotal - Committed	<u>5,186,629</u>	<u>8,340,726</u>	<u>13,527,355</u>
Assigned:			
General Government	108,110	-	108,110
Public Safety	138,677	-	138,677
Education	231,790	-	231,790
Public Works	24,493	-	24,493
Health and Human Services	19,216	-	19,216
Culture and Recreation	6,431	-	6,431
Employee Benefits	46,383	-	46,383
Subtotal - Assigned	<u>575,100</u>	<u>-</u>	<u>575,100</u>
Unassigned	<u>15,646,452</u>	<u>(993,686)</u>	<u>14,652,766</u>
Total Fund Balance	<u>\$ 21,447,804</u>	<u>\$ 29,995,931</u>	<u>\$ 51,443,735</u>

At June 30, 2024, approximately \$12 million has been set aside in the governmental funds financial statements for stabilization funds. Municipal finance laws of the Commonwealth of Massachusetts authorize municipalities to establish stabilization funds on an as needed basis. Each stabilization fund requires a two-thirds vote from the Town Council to release these reserved funds.

At June 30, 2024, \$4.4 million of capital stabilization and \$5 thousand of betterment stabilization fund balances are reported as committed and approximately \$7.6 million of general stabilization fund balance is reported as unassigned in the general fund.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 PENSION PLAN – NORTH ATTLEBOROUGH CONTRIBUTORY RETIREMENT SYSTEM

General Information About the Pension Plan

Plan Description

The Town is a member of the North Attleborough Contributory Retirement System, a cost-sharing multiple employer defined benefit pension plan covering eligible employees of the 3 member units. The System is administered by a Retirement Board on behalf of all current employees and retirees except for the current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is included in the financial units as a blended fiduciary component unit.

Benefits Provided

Massachusetts contributory retirement system benefits are uniform from one public pension system to another. For employees with service dates beginning before April 2, 2012, the System provides retirement allowance benefits up to a maximum of 80% of a participant's highest consecutive three-year average annual rate of regular compensation. For those employees who began their service on or after April 2, 2012, the System provides for retirement allowance benefits up to a maximum of 80% of a participant's highest consecutive five-year average annual rate of regular compensation. Benefit payments are based upon a participant's age, length of creditable service, level of compensation and group classification.

The retirement allowance consists of two parts – an annuity and a pension. Participants' accumulated total deductions and a portion of the interest these deductions generate constitute the annuity. The difference between the total retirement benefit and the annuity is the pension.

Participants who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total contributions. In addition, depending upon the number of years of creditable service, such employees may be entitled to receive interest, which has accrued on those contributions. A vested employee who has not reached their eligible retirement age and elects to leave their accumulated total deductions on deposit may apply for benefits upon reaching their eligible retirement age.

Survivor benefits are extended to eligible beneficiaries of participants whose death occurs prior to or following retirement.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 12 PENSION PLAN – NORTH ATTLEBOROUGH CONTRIBUTORY RETIREMENT SYSTEM
(CONTINUED)**

Benefits Provided (Continued)

In order to receive retirement benefits, participants must meet one of the following two categories:

- 1) Normal Retirement – Generally, normal retirement occurs between ages 65 and 67. However, most participants with a hire date before April 2, 2012 may retire after twenty years of creditable service or at any time after attaining age 55. For most participants hired on or after April 2, 2012, they must attain the age of 60 before they can retire. 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 or 60, as applicable. Participants become vested after ten years of creditable service. Benefits commencing before age 65 are generally provided at a reduced rate. However, members working in certain occupations may retire with full benefits earlier than age 65.
- 2) Disability Retirements – The System provides for both an ordinary and accidental disability retirement. An ordinary disability retirement is where a participant is permanently incapacitated from a cause unrelated to employment. An accidental disability retirement is where the disability is the result of an injury or illness received or aggravated in the performance of their 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. In addition, certain provisions are in place relative to death benefits for beneficiaries of employees who die in active service.

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

Plan Membership

At December 31, 2023, the System's membership consists of the following:

Active Members	540
Inactive Members	248
Retirees and Beneficiaries Currently Receiving Benefits	368
Total	1,156

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 12 PENSION PLAN – NORTH ATTLEBOROUGH CONTRIBUTORY RETIREMENT SYSTEM
(CONTINUED)**

Contributions

Employer Contributions – Under MGL, participating employers are assessed their share of the total retirement cost based on an independent actuarial study. Employer contributions totaled \$4,935,773 for the year ended December 31, 2023.

Employee Contributions – Employee contribution rates vary based on when an employee commenced their creditable service. Active members contribute 5%, 7%, 8% or 9% of their gross regular compensation depending on when their creditable service commenced. Employees hired after January 1, 1979 contribute an additional 2% of their regular gross compensation over \$30,000.

Cost of Living Adjustments – Cost-of-living adjustments granted between 1981 and 1997 and any increase in other pension benefits imposed by the Commonwealth of Massachusetts during those years are the financial responsibility of the Commonwealth. The Commonwealth is expected to continue funding the cost-of-living amounts granted over this period for the duration of their selected retirement option. Cost-of-living adjustments granted after 1997 must be approved and funded by the System. Cost-of-living adjustments cannot exceed the greater of CPI or 3%. The System approved a 3% cost-of-living adjustment on the first \$14,000 of pension benefits for the first half of 2023. Effective July 1, 2023, the cost-of-living base increased to \$16,000.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2024, which was rolled back to the measurement date of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Methods:

Actuarial Cost Method	Entry Age Normal Cost
Asset Valuation Method	Fair Value

Assumptions:

Salary Increases	3.50% per year
Investment Rate of Return	7.00%
Cost of Living Adjustment	3.00% of the lesser of the pension amount and \$16,000 per year

Mortality

Healthy Retiree - Pub-2010 amount weighted mortality tables with full generational mortality improvement using scale MP-2021.

Disabled Retiree - Pub-2010 disabled mortality tables with full generational mortality improvement using scale MP-2021.

Retirement Rates

General Employees - 1.00% and 1.50% for males and females, respectively, beginning at age 50 ranging to 30% to 20% for males and females, respectively, ending at age 69.

Police and Fire - 2.00% beginning at age 50 ranging to 100% at age 65.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 12 PENSION PLAN – NORTH ATTLEBOROUGH CONTRIBUTORY RETIREMENT SYSTEM
(CONTINUED)**

Investment Policy

The investment of the System’s funds is the responsibility of the Board. The Board adopted a revised investment policy statement in April 2017. The investment objective is to obtain a reasonable total rate of return commensurate with the Prudent Investor Rule and any other applicable statute or requirement. The Board seeks to generate long-term investment performance of 8.0%. Furthermore, the Board establishes investment benchmarks by asset class to compare its actual performance against.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plans’ target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Large Cap Equity	30.00 %	4.52 %
Mid Cap Equity	10.00	4.06
Small Cap Equity	10.00	5.06
International Equity - Developed Markets	11.00	5.08
International Equity - Emerging Markets	4.00	5.80
Real Assets	15.00	3.73
Fixed Income	20.00	2.44
Total	100.00 %	

Rates of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts of actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 12 PENSION PLAN – NORTH ATTLEBOROUGH CONTRIBUTORY RETIREMENT SYSTEM
(CONTINUED)**

Plan Reporting

Net Pension Liability

The components of the net pension liability of the participating member units at December 31, 2023 were as follows:

Total Pension Liability	\$ 209,975,970
Fiduciary Net Position	<u>157,845,229</u>
Net Pension Liability	<u><u>\$ 52,130,741</u></u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.2%
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
System's Net Pension Liability	<u>\$ 77,585,247</u>	<u>\$ 52,130,741</u>	<u>\$ 30,814,964</u>

Employer Reporting

Net Pension Liability

At June 30, 2024, the Town reported a liability of \$43,982,706 for its proportionate share of the net pension liability. At December 31, 2023, the Electric Department reported a liability of \$7,630,258 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023 for the Town and December 31, 2022 for the Electric Department. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 for the Town and as of January 1, 2022 for the Electric Department.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At December 31, 2023, the Town's proportion was 84.37%. At December 31, 2022, the Electric Department's proportion was 12.60%.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 12 PENSION PLAN – NORTH ATTLEBOROUGH CONTRIBUTORY RETIREMENT SYSTEM
(CONTINUED)**

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Town recognized pension expense of \$6,379,645. For the year ended December 31, 2023, the Electric Department recognized pension expense of \$1,266,331.

At June 30, 2024 and December 31, 2023, respectively, the Town and the Electric Department reported deferred outflows of resources and deferred inflows of resources related from the following deferred categories:

	Town of North Attleborough		Electric Light Plant (12/31/23)		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 467,539	\$ 871,261	\$ 139,646	\$ -	\$ 607,185	\$ 871,261
Changes of Assumptions	4,190,913	-	588,654	-	4,779,567	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,536,346	-	1,928,721	-	6,465,067	-
Changes in Proportion	281,277	788,964	130,188	65,704	411,465	854,668
Contributions Subsequent to the Measurement Date	-	-	703,348	-	703,348	-
Total	\$ 9,476,075	\$ 1,660,225	\$ 3,490,557	\$ 65,704	\$ 12,966,632	\$ 1,725,929

The Town's amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,:</u>	<u>Amount</u>
2025	\$ 3,139,124
2026	2,366,727
2027	4,400,895
2028	(2,090,896)
Total	<u>\$ 7,815,850</u>

The \$703,348 reported as deferred outflows of resources and deferred inflows of resources related to pensions resulting from the Electric Department contributions subsequent to the measurement date but before the employer's year-end will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The remaining net deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,:</u>	<u>Amount</u>
2024	\$ 365,758
2025	811,375
2026	618,888
2027	925,484
Total	<u>\$ 2,721,505</u>

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 12 PENSION PLAN – NORTH ATTLEBOROUGH CONTRIBUTORY RETIREMENT SYSTEM
(CONTINUED)**

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

The following presents the Town’s (excluding the Electric Department) proportionate share of the net pension liability as of the measurement date of 12/31/23, calculated using the discount rate of 7% as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town’s Proportionate Share of the Net Pension Liability	\$ 65,458,673	\$ 43,982,706	\$ 25,998,585

The following presents the Electric Department’s proportionate share of the net pension liability as of the measurement date of 12/31/23, calculated using the discount rate of 7%, as well as what the Electric Department’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Electric Department’s Proportionate Share of the Net Pension Liability	\$ 10,647,300	\$ 7,630,258	\$ 5,113,758

NOTE 13 PENSION PLAN – MASSACHUSETTS TEACHERS RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description

Public school teachers and certain administrators are provided with pensions through the Massachusetts Teachers’ Retirement System (MTRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Massachusetts Teachers’ Retirement Board. The MTRS is part of the Commonwealth of Massachusetts’ (Commonwealth) reporting entity and does not issue a stand-alone audited financial report. The MTRS is reported as a Pension Trust Fund in the Commonwealth’s audited financial statements that can be obtained at <https://www.macomptroller.org/annual-comprehensive-financial-reports/>.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

**NOTE 13 PENSION PLAN – MASSACHUSETTS TEACHERS RETIREMENT SYSTEM
(CONTINUED)**

Benefits Provided

MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit requirements. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

Contributions

The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity program of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Member contributions for MTRS vary depending on the most recent date of membership, ranging from 5% - 9% of regular compensation. Members in 1979 or subsequent contribute an additional 2 percent of regular compensation in excess of \$30,000.

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in MTRS.

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

Since the Town does not contribute directly to MTRS, the Town does not report a proportionate share of the net pension liability of the MTRS at June 30, 2024. The Commonwealth's net pension liability associated with the Town was \$101,656,015.

The MTRS' net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to June 30, 2023.

For the year ended June 30, 2024, the Town recognized pension expense of \$9,491,636 associated with MTRS and revenue of the same amount for support provided by the Commonwealth.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 13 PENSION PLAN – MASSACHUSETTS TEACHERS RETIREMENT SYSTEM
(CONTINUED)**

Actuarial Assumptions

The MTRS' total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of January 1, 2023 rolled forward to June 30, 2023. This valuation used the following assumptions:

Investment Rate of Return	7.00%
Salary Increases	Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service.
Mortality Rates	Pre-retirement reflects Pub-2010 Teachers Employees mortality table projected generationally with Scale MP-2021 (gender distinct). Post-retirement reflects Pub-2010 Teachers Retirees mortality table projected generationally with Scale MP-2021 (gender distinct). Disability reflects Pub-2010 Teachers Retirees mortality table projected generationally with Scale MP-2021 (gender distinct).
Other	3.5% interest rate credited to the annuity savings fund and 3.0% cost of living increase per year.

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. 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 return 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. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2023 are summarized in the following table:

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

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00 %	4.90 %
Core Fixed Income	15.00	1.90
Private Equity	16.00	7.40
Portfolio Completion Strategies	10.00	3.80
Real Estate	10.00	3.00
Value Added Fixed Income	8.00	5.10
Timberland/Natural Resources	4.00	4.30
Total	100.00 %	

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

**NOTE 13 PENSION PLAN – MASSACHUSETTS TEACHERS RETIREMENT SYSTEM
(CONTINUED)**

Discount Rate

The discount rate used to measure the MTRS' total pension liability was 7.00% (7.00% in prior year). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the 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.

Pension Plan Fiduciary Net Position

Detailed information about the MTRS' fiduciary net position is available in the Commonwealth's audited financial statements.

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS

The Town's defined benefit OPEB plan provides health, dental and life insurance coverage for its retirees and their survivors (hereinafter referred to as the Plans) are single-employer defined benefit Other Postemployment Benefit (OPEB) plans. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to plan design and contribution rates must be accomplished through the collective bargaining process. 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 of the Plans issue a stand-alone financial report.

The Town and Electric Department have accepted Chapter 32b, Section 20 of MGL which established an irrevocable trust that is under control of the Board of Commissioners of the Department; however, in accordance with provisions of the law, the Department remits the annual required contribution to the Treasurer of the Town of North Attleborough who, by a vote of the Trustees, has been designated as the custodian of the OPEB Trust fund assets. Funds transferred to the Town Treasurer under the provisions of MGL Chapter 32b, Section 20 are invested and managed separately from any OPEB funds that have been reserved for the benefit of Town employees and retirees that are not employed by the North Attleborough Electric Department.

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 outside of the trust. 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.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employees Covered by Benefit Terms – At June 30, 2024 (December 31, 2023 for Electric Department), the following employees were covered by the benefit terms:

	Town	Electric Department
Active Members	850	38
Retirees and Survivors	811	36
Total	1,661	36

Total OPEB Liability

The Town Plan’s total OPEB liability was determined by an actuarial valuation performed as of July 1, 2023 rolled forward to June 30, 2024 measurement date.

The Electric Department Plan’s total OPEB liability was determined by an actuarial valuation performed as of July 1, 2022 rolled forward to December 31, 2023 measurement date.

Actuarial Assumptions –

The Town’s total OPEB liability in the July 1, 2023 actuarial valuation and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate	6.59%, net of investment expenses, including inflation
Healthcare Cost Trend Rate	5.00% for fiscal year 2024, grading down to an ultimate trend rate of 3.63% in fiscal year 2060
Pre-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021 for males and females, set forward 1 year for females. Teachers: PubT-2010 Mortality Table (Headcount-weighted) for
Post-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021 for males and females, set forward 1 year for females. Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021.
Disabled Mortality	General: P-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for males and females. Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

The Electric Department's total OPEB liability in the January 1, 2022 actuarial valuation and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Discount Rate	5.31%, net of investment expenses, including inflation
Pre-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
Post-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
Disabled Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year.

Investment Policy - Town

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Town Council by a majority vote. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future 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.

Best estimates of arithmetic real rates of return for each major asset class include in the target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return Percent</u>
Domestic Equity - Large Cap	32.25 %	4.91 %
Domestic Equity - Small/Mid Cap	10.25	5.29
International Equity - Developed Markets	13.00	5.32
International Equity - Emerging Markets	6.75	6.13
Domestic Fixed Income	21.50	2.30
International Fixed Income	3.25	2.02
Alternatives	9.75	6.35
Real Estate	2.75	6.25
Cash and Cash Equivalents	0.50	-
Total	<u>100.00 %</u>	

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Investment Policy – Electric Department

The Electric Department’s policy in regard to the allocation of invested assets is established and may be amended by the Trustees. The OPEB plan’s assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Electric Departments’s investment policy.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future 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.

Best estimates of arithmetic real rates of return for each major asset class include in the target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return Percent</u>
Domestic Equity - Large Cap	38.75 %	4.10 %
Domestic Equity - Small/Mid Cap	19.50	4.55
International Equity - Developed Markets	2.75	4.64
International Equity - Emerging Markets	1.25	5.45
Domestic Fixed Income	36.00	1.05
International Fixed Income	-	0.96
Alternatives	0.25	5.95
Real Estate	-	6.25
Cash and Cash Equivalents	1.50	-
Total	<u>100.00 %</u>	

Discount Rate – Town

The discount rate used to measure the total OPEB liability was 6.59%. The projection of cash flows used to determine the discount rate assumed that contributions from the Town will be made in accordance with the Plan’s funding policy. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate – Electric Department

The discount rate used to measure the total OPEB liability was 5.31%. The projection of cash flows used to determine the discount rate assumed that contributions from the Town will be made in accordance with the Plan’s funding policy. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Components of the Net OPEB Liability

The following table represents the components of the Town and Electric Department Plan's Net OPEB liability as of the measurement date of June 30, 2024 and December 31, 2023:

	<u>Town</u>	<u>Electric Department</u>
Total OPEB Liability	\$ 130,041,732	\$ 8,090,422
Plan Fiduciary Net Position	(8,506,883)	(7,124,834)
Net OPEB Liability	<u>\$ 121,534,849</u>	<u>\$ 965,588</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.54%	88.1%
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Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the Plan's net other postemployment benefit liability, calculated using the discount rate of 6.59% (5.31% Electric Department), as well as what the plan's net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.59% and 4.31%) or 1-percentage-point higher (7.59% and 6.31%) than the current rate.

	<u>1% Decrease (5.59%)</u>	<u>Current Discount Rate (6.59%)</u>	<u>1% Increase (7.59%)</u>
Town's Net OPEB Liability	<u>\$ 138,365,922</u>	<u>\$ 121,534,849</u>	<u>\$ 107,682,694</u>

	<u>1% Decrease (4.31%)</u>	<u>Current Discount Rate (5.31%)</u>	<u>1% Increase (6.31%)</u>
Electric Department's Net OPEB Liability (Asset)	<u>\$ 2,300,234</u>	<u>\$ 965,588</u>	<u>\$ (95,443)</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rate – The following table presents the Plan's net other postemployment benefit liability, calculated using the current healthcare trend rate of, as well as what the plan's net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease (4.00%)</u>	<u>Current Trend Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Town's Net OPEB Liability	<u>\$ 106,306,367</u>	<u>\$ 121,534,849</u>	<u>\$ 140,253,410</u>

	<u>1% Decrease (4.00%)</u>	<u>Current Trend Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Electric Department's Net OPEB Liability (Asset)	<u>\$ (216,334)</u>	<u>\$ 965,588</u>	<u>\$ 2,483,221</u>

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liabilities –

The following table represents the components of the Town's net OPEB liability as of the measurement date of June 30, 2024:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2023	\$ 156,188,003	\$ 6,650,215	\$ 149,537,788
Changes for the Year:			
Service Cost	3,132,057	-	3,132,057
Interest	9,241,172	-	9,241,172
Difference Between Expected and Actual Experience	(19,215,505)	-	(19,215,505)
Changes of Assumptions	(12,771,719)	-	(12,771,719)
Employer Contributions	-	7,507,127	(7,507,127)
Net Investment Income	-	881,817	(881,817)
Benefit Payments	(6,532,276)	(6,532,276)	-
Net Changes	<u>(26,146,271)</u>	<u>1,856,668</u>	<u>(28,002,939)</u>
Balance at June 30, 2024	<u>\$ 130,041,732</u>	<u>\$ 8,506,883</u>	<u>\$ 121,534,849</u>

- *Changes in assumptions include a change in discount rate from 5.92% to 6.59% and change in mortality tables*

The following table represents the components of the Electric Department's net OPEB liability as of the measurement date of December 31, 2023:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2022	\$ 7,589,769	\$ 6,301,763	\$ 1,288,006
Changes for the Year:			
Service Cost	166,500	-	166,500
Interest	417,689	-	417,689
Changes in Assumptions	160,266	-	160,266
Employer Contributions	-	243,802	(243,802)
Net Investment Income	-	823,071	(823,071)
Benefit Payments	(243,802)	(243,802)	-
Net Changes	<u>500,653</u>	<u>823,071</u>	<u>(322,418)</u>
Balance at December 31, 2023	<u>\$ 8,090,422</u>	<u>\$ 7,124,834</u>	<u>\$ 965,588</u>

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2024, the Town recognized OPEB expense of \$7,531,701. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 28,764,609
Changes of Assumptions	9,296,502	13,028,538
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	197,855	-
Total	<u>\$ 9,494,357</u>	<u>\$ 41,793,147</u>

The Town's amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30.:</u>	<u>Amount</u>
2025	\$ (5,271,368)
2026	(6,674,038)
2027	(9,108,640)
2028	(6,002,685)
2029	(5,242,059)
Total	<u>\$ (32,298,790)</u>

For the year ended December 31, 2023, the Electric Department recognized OPEB expense of \$438,482. At December 31, 2023, the Electric Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 10,212	\$ 70,046
Changes of Assumptions	1,003,371	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	343,142	-
Total	<u>\$ 1,356,725</u>	<u>\$ 70,046</u>

The Electric Department's amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2024	\$ 383,096
2025	459,528
2026	507,675
2027	(63,620)
Total	<u>\$ 1,286,679</u>

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 15 COMBINING FIDUCIARY FUND FINANCIAL STATEMENTS

The Town's Pension Trust Fund, OPEB Trust Fund, and the Electric Department's OPEB Trust Fund Statements of Fiduciary Net Position are as follows:

	Pension Trust Fund (As of 12/31/23)	Town OPEB Trust Fund (As of 6/30/24)	Electric Light OPEB Trust Fund (As of 12/31/23)	Total
ASSETS				
Cash and Cash Equivalents	\$ 1,917,417	\$ 41,132	\$ 29,572	\$ 1,988,121
Investments:				
Corporate Bonds	-	-	2,379,174	2,379,174
Corporate Equities	-	800,043	-	800,043
Equity Securities	34,780,013	1,461,844	-	36,241,857
Mutual Funds	101,473,387	6,203,864	4,716,088	112,393,339
Private Equity Funds	20,198,649	-	-	20,198,649
Total Investments	156,452,049	8,465,751	7,095,262	172,013,062
Receivables	164,046	-	-	164,046
Total Assets	158,533,512	8,506,883	7,124,834	174,165,229
LIABILITIES				
Accounts Payable	688,283	-	-	688,283
Total Liabilities	688,283	-	-	688,283
NET POSITION				
Restricted for Pensions	157,845,229	-	-	157,845,229
Restricted for Other Postemployment Benefits	-	8,506,883	7,124,834	15,631,717
Total Net Pension	<u>\$ 157,845,229</u>	<u>\$ 8,506,883</u>	<u>\$ 7,124,834</u>	<u>\$ 173,476,946</u>
	Pension Trust Fund (As of 12/31/23)	Town OPEB Trust Fund (As of 6/30/24)	Electric Light OPEB Trust Fund (As of 12/31/23)	Total
ADDITIONS				
Contributions:				
Employer	\$ 4,935,773	\$ 7,507,127	\$ 243,802	\$ 12,686,702
Employee	3,027,644	-	-	3,027,644
Other	595,407	-	-	595,407
Total Contributions	8,558,824	7,507,127	243,802	16,309,753
Net Investment Income:				
Net Appreciation in Fair Value of Investments	21,274,940	752,368	823,071	22,850,379
Interest and Dividends	2,153,528	129,449	-	2,282,977
Less: Investment Management Fees	(848,742)	-	-	(848,742)
Net Investment Income	22,579,726	881,817	823,071	24,284,614
Other Income	26,786	-	-	26,786
Total Additions	31,165,336	8,388,944	1,066,873	40,621,153
DEDUCTIONS				
Pension Benefits and Refunds to Plan Members:				
Benefits to Retirees and Survivors	10,578,693	-	-	10,578,693
Member Refunds	247,247	-	-	247,247
Transfers and Reimbursements to Other Systems	1,293,276	-	-	1,293,276
Other Postemployment Benefits	-	6,532,276	243,802	6,776,078
Administrative Expenses:				
Operations Payroll and Related Personnel Costs	127,086	-	-	127,086
Other Administrative Expenses	770,421	-	-	770,421
Total Deductions	13,016,723	6,532,276	243,802	19,792,801
CHANGE IN NET POSITION	18,148,613	1,856,668	823,071	20,828,352
Net Position - Beginning of Year	139,696,616	6,650,215	6,301,763	152,648,594
NET POSITION - END OF YEAR	<u>\$ 157,845,229</u>	<u>\$ 8,506,883</u>	<u>\$ 7,124,834</u>	<u>\$ 173,476,946</u>

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 TAX ABATEMENTS

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

The Town has three TIF agreements in place at June 30, 2024 and its most significant will not have any abatements until fiscal year 2025. The value of the property tax abatements related to the two TIF agreements in effect during fiscal year 2024 was approximately \$16,000.

NOTE 17 RISK MANAGEMENT

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

The Town participates in a health insurance risk pool administered by the North Attleborough-Plainville Health Group (the Group). The Group offers premium and self-insurance based health plans to its members with each participating governmental unit charged a premium for coverage based on rates established by the Group. In the event the Group is terminated, the Town would be obligated to pay its proportionate share of a deficit, should one exist.

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.

NOTE 18 COMMITMENTS AND CONTINGENCIES

General

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2024, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2024.

TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 18 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) through June 30, 2024, these projects are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Appellate Tax Board

The Town has pending cases filed with the Massachusetts Appellate Tax Board of the Commonwealth of Massachusetts ("ATB"). In total, the assessed property values for ATB cases totaled nearly \$81.3 million at June 30, 2024, all of which pertained to commercial real estate. An approximately \$200,000 provision has been made in the general fund for the liability related to these appeals.

MMWEC Participation

The Electric Department is a Participant in certain Projects of the Massachusetts Municipal Wholesale Electric Company (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 entities 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 Electric Department is required to make certain payments to MMWEC payable solely from the Electric Department's revenues. Among other things, the PSAs require each Project Participant to pay its pro rata share of MMWEC's costs related to 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 that 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).

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Pursuant to the PSAs, the MMWEC Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which are funded through monthly Project billings, as needed. 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 (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 management, the outcome of such litigation or claims will not have a material adverse effect on the financial position of the company.

The total capital expenditures and annual capacity, fuel and transmission costs (which include debt service and decommissioning expenses as discussed above), and amount of required debt service payments (if applicable) under the PSAs associated with the Department's Project Capability of the Projects in which it participates for the years ended December 31, 2023 and 2022, respectively are listed in the table below.

<u>Projects</u>	<u>Percentage Share</u>	<u>2023 Total Capital Expenditures</u>	<u>2023 Capacity, Fuel, & Transmission Billed</u>	<u>2022 Capacity, Fuel, & Transmission Billed</u>
Stony Brook Peaking Project	5.9838%	\$ 3,776,245	\$ 345,850	\$ 320,678
Stony Brook Intermediate Project	3.5564%	6,526,209	550,224	819,638
Nuclear Mix No. 1 - Seabrook	4.1590%	432,890	20,116	19,943
Nuclear Mix No. 1 - Millstone	4.1590%	2,682,491	237,967	247,095
Nuclear Project No. 3 - Millstone	3.3709%	5,256,223	382,546	397,989
Nuclear Project No. 4 - Seabrook	4.4020%	13,529,959	559,221	555,513
Nuclear Project No. 5 - Seabrook	1.5884%	1,320,264	52,235	51,977
Project No. 6 - Seabrook	2.7185%	15,435,433	479,814	476,863
Total		<u>\$ 48,959,714</u>	<u>\$ 2,627,973</u>	<u>\$ 2,889,696</u>

NOTE 19 BEGINNING FUND BALANCE RECLASSIFICATION

Changes in Fund Presentation from Major to Nonmajor

The Town implemented GASB Statement No. 100, *Accounting Changes and Error Corrections* during fiscal year 2024. Both the American Rescue Plan Act fund and the capital projects fund previously met the criteria to be reported as a major governmental fund. However, effective July 1, 2023, the funds did not meet the criteria to be reported as major funds and are now reported as nonmajor governmental funds for the fiscal year ended June 30, 2024. The American Rescue Plan Act fund balance at June 30, 2023 was \$0, so there was no fund balance impact. The effects of the changes within the financial reporting entity are shown in the table below:

	<u>June 30, 2023, As Previously Reported</u>	<u>Change Within the Financial Reporting Entity</u>	<u>June 30, 2024, As Restated</u>
Governmental Funds:			
Major Funds:			
Capital Projects Fund	\$ 19,282,823	\$ (19,282,823)	\$ -
Nonmajor Funds	13,944,281	19,282,823	33,227,104
Total Governmental Funds	<u>\$ 33,227,104</u>	<u>\$ -</u>	<u>\$ 33,227,104</u>

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

	Budgeted Amounts		Actual Budgetary Amounts	Positive (Negative) Variance
	Original	Final		
REVENUES				
Real Estate and Personal Property Taxes	\$ 69,175,824	\$ 69,175,824	\$ 68,688,804	\$ (487,020)
Motor Vehicle and Other Excise Taxes	5,675,000	5,675,000	6,661,161	986,161
Tax and Utility Liens	-	-	405,127	405,127
Payments in Lieu of Taxes	365,341	365,341	366,304	963
Charges for Services	277,550	277,550	458,135	180,585
Intergovernmental	25,652,354	25,652,354	25,460,406	(191,948)
Penalties and Interest on Taxes	304,750	304,750	373,426	68,676
Licenses and Permits	483,050	483,050	595,470	112,420
Fines and Forfeitures	41,700	41,700	62,912	21,212
Departmental and Other	407,525	407,525	397,422	(10,103)
Investment Income	204,000	204,000	1,469,103	1,265,103
Total Revenues	<u>102,587,094</u>	<u>102,587,094</u>	<u>104,938,270</u>	<u>2,351,176</u>
EXPENDITURES				
General Government	6,084,041	6,048,101	5,554,795	493,306
Public Safety	14,995,982	15,322,660	14,233,762	1,088,898
Education	52,566,854	52,678,079	52,334,624	343,455
Public Works	2,207,067	2,250,940	2,152,142	98,798
Health and Human Services	1,105,386	1,103,002	967,771	135,231
Culture and Recreation	1,527,364	1,515,679	1,497,181	18,498
Pension and Fringe Benefits	16,061,548	16,142,362	15,539,797	602,565
State and County Charges	5,993,679	5,993,679	5,141,175	852,504
Debt Service	3,774,867	3,744,867	3,737,999	6,868
Total Expenditures	<u>104,316,788</u>	<u>104,799,369</u>	<u>101,159,246</u>	<u>3,640,123</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,769,394	2,894,394	2,962,695	68,301
Transfers Out	<u>(3,902,470)</u>	<u>(8,368,820)</u>	<u>(8,368,820)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,133,076)</u>	<u>(5,474,426)</u>	<u>(5,406,125)</u>	<u>68,301</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
	<u>(2,862,770)</u>	<u>(7,686,701)</u>	<u>\$ (1,627,101)</u>	<u>\$ 6,059,600</u>
OTHER BUDGET ITEMS				
Prior Year Encumbrances	-	415,773		
Free Cash	<u>2,862,770</u>	<u>7,270,928</u>		
Total Other Budgetary Items	<u>2,862,770</u>	<u>7,686,701</u>		
Net Budget	<u>\$ -</u>	<u>\$ -</u>		

See accompanying Notes to Required Supplementary Information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

PENSION PLAN SCHEDULES

**SCHEDULE OF CHANGES IN SYSTEM'S NET PENSION LIABILITY
AND RELATED RATIOS (SYSTEM)**

	2023	2022	2021	2020	2019
<u>Total Pension Liability</u>					
Service Cost	\$ 3,210,967	\$ 3,125,029	\$ 2,839,580	\$ 2,752,745	\$ 2,955,761
Interest	13,850,264	13,452,013	12,706,577	12,303,896	11,399,028
Changes in Benefit Terms	1,726,581	-	-	-	-
Differences Between Expected and Actual Experience	(1,383,914)	-	2,216,607	-	3,336,854
Changes of Assumptions	3,526,397	-	9,343,719	-	8,800,256
Benefit Payments, Including Refunds of Member Contributions	(11,208,545)	(10,738,824)	(10,228,064)	(8,950,446)	(8,183,570)
Net Change in Total Pension Liability	9,721,750	5,838,218	16,878,419	6,106,195	18,308,329
Total Pension Liability - Beginning	<u>200,254,220</u>	<u>194,416,002</u>	<u>177,537,583</u>	<u>171,431,388</u>	<u>153,123,059</u>
Total Pension Liability - Ending (a)	<u>\$ 209,975,970</u>	<u>\$ 200,254,220</u>	<u>\$ 194,416,002</u>	<u>\$ 177,537,583</u>	<u>\$ 171,431,388</u>
<u>Plan Fiduciary Net Position</u>					
Contributions - Employer	\$ 4,935,773	\$ 4,650,686	\$ 4,404,059	\$ 4,170,510	\$ 3,965,300
Contributions - Member	2,712,378	2,349,194	2,675,943	2,652,149	2,516,170
Net Investment Income	22,027,608	(25,054,925)	22,864,669	18,930,509	23,352,643
Benefit Payments, Including Refunds of Member Contributions	(11,208,545)	(10,738,824)	(10,228,064)	(8,950,446)	(8,183,570)
Administrative Expense	(318,601)	(241,174)	(238,837)	(269,913)	(273,925)
Other	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	18,148,613	(29,035,043)	19,477,770	16,532,809	21,376,618
Plan Fiduciary Net Position - Beginning	<u>139,696,616</u>	<u>168,731,659</u>	<u>149,253,889</u>	<u>132,721,080</u>	<u>111,344,462</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 157,845,229</u>	<u>\$ 139,696,616</u>	<u>\$ 168,731,659</u>	<u>\$ 149,253,889</u>	<u>\$ 132,721,080</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 52,130,741</u>	<u>\$ 60,557,604</u>	<u>\$ 25,684,343</u>	<u>\$ 28,283,694</u>	<u>\$ 38,710,308</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.17%	69.76%	86.79%	84.07%	77.42%
Covered Payroll	\$ 28,376,489	\$ 27,228,917	\$ 26,500,163	\$ 26,791,598	\$ 26,079,093
Net Pension Liability as a Percentage of Covered Payroll	183.71%	222.40%	96.92%	105.57%	148.43%

See accompanying Notes to Required Supplementary Information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

**SCHEDULE OF CHANGES IN SYSTEM'S NET PENSION LIABILITY
AND RELATED RATIOS (SYSTEM) (CONTINUED)**

	2018	2017	2016	2015	2014
<u>Total Pension Liability</u>					
Service Cost	\$ 2,855,808	\$ 2,943,495	\$ 3,270,377	\$ 2,848,866	\$ 2,726,188
Interest	9,743,986	9,379,396	9,031,717	9,408,346	8,578,051
Changes in Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	9,775,153	-	(4,039,002)	-	-
Changes of Assumptions	7,525,470	-	3,812,605	-	-
Benefit Payments, Including Refunds of Member Contributions	<u>(7,546,295)</u>	<u>(7,207,845)</u>	<u>(7,021,712)</u>	<u>(5,989,285)</u>	<u>(5,669,592)</u>
Net Change in Total Pension Liability	22,354,122	5,115,046	5,053,985	6,267,927	5,634,647
Total Pension Liability - Beginning	<u>130,768,937</u>	<u>125,653,891</u>	<u>120,599,906</u>	<u>114,331,979</u>	<u>108,697,332</u>
Total Pension Liability - Ending (a)	<u>\$ 153,123,059</u>	<u>\$ 130,768,937</u>	<u>\$ 125,653,891</u>	<u>\$ 120,599,906</u>	<u>\$ 114,331,979</u>
<u>Plan Fiduciary Net Position</u>					
Contributions - Employer	\$ 3,842,830	\$ 3,808,004	\$ 3,667,448	\$ 3,594,629	\$ 3,467,772
Contributions - Member	2,726,906	2,384,108	2,226,741	2,506,881	2,327,570
Net Investment Income	(4,685,302)	16,058,055	7,239,066	1,498,040	6,223,988
Benefit Payments, Including Refunds of Member Contributions	(7,546,295)	(7,207,845)	(7,021,712)	(5,989,285)	(5,669,592)
Administrative Expense	(264,367)	(269,960)	(247,864)	(173,277)	(158,166)
Other	190,172	108,620	166,319	-	-
Net Change in Plan Fiduciary Net Position	(5,736,056)	14,880,982	6,029,998	1,436,988	6,191,572
Plan Fiduciary Net Position - Beginning	<u>117,080,518</u>	<u>102,199,536</u>	<u>96,169,538</u>	<u>94,732,550</u>	<u>88,540,978</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 111,344,462</u>	<u>\$ 117,080,518</u>	<u>\$ 102,199,536</u>	<u>\$ 96,169,538</u>	<u>\$ 94,732,550</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 41,778,597</u>	<u>\$ 13,688,419</u>	<u>\$ 23,454,355</u>	<u>\$ 24,430,368</u>	<u>\$ 19,599,429</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.72%	89.53%	81.33%	79.74%	82.86%
Covered Payroll	\$ 25,158,932	\$ 23,832,309	\$ 22,915,682	\$ 22,706,208	\$ 22,706,208
Net Pension Liability as a Percentage of Covered Payroll	166.06%	57.44%	102.35%	107.59%	86.32%

See accompanying Notes to Required Supplementary Information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

SCHEDULE OF EMPLOYER CONTRIBUTIONS (SYSTEM) (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 4,935,773	\$ 4,650,686	\$ 4,404,059	\$ 4,170,510	\$ 3,965,300
Contributions in Relation to the Actuarially Determined Contribution	<u>4,935,773</u>	<u>4,650,686</u>	<u>4,404,059</u>	<u>4,170,510</u>	<u>3,965,300</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered Payroll	\$ 28,376,000	\$ 27,229,000	\$ 26,500,000	\$ 26,792,000	\$ 25,159,000
Contributions as a Percentage of Covered Payroll	17.39%	17.08%	16.62%	15.57%	15.76%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 3,842,830	\$ 3,808,004	\$ 3,667,448	\$ 3,594,629	\$ 3,467,772
Contributions in Relation to the Actuarially Determined Contribution	<u>3,842,830</u>	<u>3,808,004</u>	<u>3,667,448</u>	<u>3,594,629</u>	<u>3,467,772</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered Payroll	\$ 25,159,000	\$ 23,832,000	\$ 22,916,000	\$ 22,076,000	\$ 22,076,000
Contributions as a Percentage of Covered Payroll	15.27%	15.98%	16.00%	16.28%	15.71%

(1) The contributions in this table also represent the contribution requirements of the System's employers' most recent fiscal year-ends.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (SYSTEM)

<u>Year-Ended:</u>	<u>Annual Money-Weighted Rate Net of Investment Expense</u>
2023	15.99 %
2022	(15.48)
2021	15.46
2020	14.42
2019	21.26
2018	(4.03)
2017	15.69
2016	7.53
2015	2.02
2014	7.55

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

	2024	2023	2022	2021	2020
Town's Proportion of the Net Pension Liability	84.37%	85.80%	85.80%	86.88%	85.73%
Town's Proportionate Share of the Net Pension Liability	43,982,706	51,970,742	22,120,773	26,171,150	33,179,406
Town's Covered Payroll	23,875,465	22,925,385	22,742,000	23,276,978	22,352,791
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	184.22%	226.70%	97.27%	112.43%	148.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.20%	69.80%	86.80%	84.10%	77.40%
	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability	85.91%	87.58%	85.83%	86.53%	86.20%
Town's Proportionate Share of the Net Pension Liability	35,877,500	11,983,159	20,102,333	21,192,217	16,887,267
Town's Covered Payroll	21,606,323	20,387,883	19,677,543	19,689,223	19,974,592
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	166.05%	58.78%	102.16%	107.63%	84.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.70%	89.50%	81.30%	79.70%	82.90%

**SCHEDULE OF THE ELECTRIC DEPARTMENT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (1)**

	2023	2021	2020	2019	2018
Electric Department's proportion of the net pension liability	14.25%	12.60%	11.72%	12.67%	12.69%
Electric Department's proportionate share of the net pension liability	7,630,258	3,236,227	3,314,850	4,904,594	5,303,500
Electric Department's covered payroll	4,059,001	3,339,000	3,140,022	3,304,209	3,192,677
Electric Department's proportionate share of the net pension liability as a percentage of its covered payroll	187.98%	96.92%	105.57%	148.43%	166.11%
Plan fiduciary net position as a percentage of the total pension liability	75.20%	86.80%	84.10%	77.42%	72.70%
	2017	2016	2015	2014	
Electric Department's proportion of the net pension liability	10.82%	12.67%	11.97%	11.80%	
Electric Department's proportionate share of the net pension liability	1,480,841	2,971,667	2,882,783	2,312,733	
Electric Department's covered payroll	3,056,117	2,903,457	2,684,777	2,368,408	
Electric Department's proportionate share of the net pension liability as a percentage of its covered payroll	48.45%	102.35%	107.38%	97.65%	
Plan fiduciary net position as a percentage of the total pension liability	89.50%	81.30%	79.74%	82.90%	

(1) Data is being accumulated annually to present 10 years of the reported information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

SCHEDULE OF TOWN'S CONTRIBUTIONS (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially Required Contribution	\$ 4,161,311	\$ 4,557,000	\$ 4,334,000	\$ 4,114,000	\$ 3,898,000
Contributions in Relation to the Actuarially Required Contribution	<u>4,161,311</u>	<u>4,557,000</u>	<u>4,334,000</u>	<u>4,114,000</u>	<u>3,898,000</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Town's Covered Payroll	\$ 27,934,466	\$ 26,799,000	\$ 26,081,000	\$ 26,417,000	\$ 25,657,000
Contributions as a Percentage of Covered Payroll	14.90%	17.00%	16.62%	15.57%	15.19%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Required Contribution	\$ 3,788,000	\$ 3,746,000	\$ 3,614,000	\$ 1,900,000	\$ 1,791,000
Contributions in Relation to the Actuarially Required Contribution	<u>3,788,000</u>	<u>3,746,000</u>	<u>3,614,000</u>	<u>1,900,000</u>	<u>1,791,000</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Town's Covered Payroll	\$ 24,799,000	\$ 23,444,000	\$ 22,581,000	\$ 22,374,000	\$ 22,343,000
Contributions as a Percentage of Covered Payroll	15.27%	15.98%	16.00%	8.49%	8.02%

(1) Amounts presented were determined as of fiscal years ended June 30.

SCHEDULE OF ELECTRIC DEPARTMENT'S CONTRIBUTIONS (1) (2)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Required Contribution	\$ 585,986	\$ 554,911	\$ 488,784	\$ 501,939	\$ 487,820
Contributions in Relation to the Actuarially Required Contribution	<u>585,986</u>	<u>554,911</u>	<u>488,784</u>	<u>501,939</u>	<u>487,820</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Electric Department's Covered Payroll	\$ 3,873,615	\$ 3,339,000	\$ 3,140,022	\$ 3,304,209	\$ 3,192,677
Contributions as a Percentage of Covered Payroll	15.13%	16.62%	15.57%	15.19%	15.28%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Actuarially Required Contribution	\$ 411,959	\$ 397,495	\$ 424,025	\$ 409,031	
Contributions in Relation to the Actuarially Required Contribution	<u>411,959</u>	<u>397,495</u>	<u>424,025</u>	<u>409,031</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Electric Department's Covered Payroll	\$ 3,056,117	\$ 2,903,457	\$ 2,684,777	\$ 2,368,408	
Contributions as a Percentage of Covered Payroll	13.48%	13.69%	15.79%	17.27%	

(1) Amounts presented were determined as of December 31 of the previous calendar year.

(2) Data is being accumulated annually to present 10 years of the reported information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

**SCHEDULE OF SPECIAL FUNDING AMOUNTS OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (1)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
Commonwealth's Proportionate Share of the Town's Net Pension Liability	<u>101,656,015</u>	<u>97,932,964</u>	<u>79,438,058</u>	<u>119,514,087</u>	<u>98,418,309</u>
Town's Net Pension Liability	<u>\$ 101,656,015</u>	<u>\$ 97,932,964</u>	<u>\$ 79,438,058</u>	<u>\$ 119,514,087</u>	<u>\$ 98,418,309</u>
Town's Expense and Revenue Recognized for Commonwealth's Support	\$ 9,491,636	\$ 8,055,942	\$ 6,374,573	\$ 14,761,702	\$ 11,934,928
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.48%	57.75%	62.03%	50.67%	53.95%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
Commonwealth's Proportionate Share of the Town's Net Pension Liability	<u>92,872,289</u>	<u>89,057,670</u>	<u>91,875,084</u>	<u>86,191,732</u>	<u>66,793,835</u>
Town's Net Pension Liability	<u>\$ 92,872,289</u>	<u>\$ 89,057,670</u>	<u>\$ 91,875,084</u>	<u>\$ 86,191,732</u>	<u>\$ 66,793,835</u>
Town's Expense and Revenue Recognized for Commonwealth's Support	\$ 9,411,262	\$ 9,295,208	\$ 9,371,861	\$ 6,990,917	\$ 4,460,488
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.84%	54.25%	52.73%	55.38%	61.64%

(1) Amounts presented were determined as of June 30 of the prior year.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULES

**SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS –
OTHER POSTEMPLOYMENT BENEFITS PLAN (1)**

	2024	2023	2022	2021	2020
<u>Total OPEB Liability</u>					
Service Cost	\$ 3,132,057	\$ 3,183,441	\$ 4,391,128	\$ 3,472,561	\$ 3,297,628
Interest	9,241,172	8,840,561	7,990,312	8,017,407	6,674,967
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	(19,215,505)	-	(25,674,031)	-	(540,236)
Changes of Assumptions	(12,771,719)	(3,610,143)	6,362,225	15,927,746	8,100,976
Benefit Payments	<u>(6,532,276)</u>	<u>(6,034,108)</u>	<u>(6,103,903)</u>	<u>(5,671,413)</u>	<u>(5,214,055)</u>
Net Change in Total OPEB Liability	(26,146,271)	2,379,751	(13,034,269)	21,746,301	12,319,280
Total OPEB Liability - Beginning	<u>156,188,003</u>	<u>153,808,252</u>	<u>166,842,521</u>	<u>145,096,220</u>	<u>132,776,940</u>
Total OPEB Liability - Ending (a)	<u>\$ 130,041,732</u>	<u>\$ 156,188,003</u>	<u>\$ 153,808,252</u>	<u>\$ 166,842,521</u>	<u>\$ 145,096,220</u>
<u>Plan Fiduciary Net Position</u>					
Contributions - Employer	\$ 7,507,127	\$ 6,918,392	\$ 7,662,131	\$ 6,434,783	\$ 5,968,304
Net Investment Income	881,817	525,025	(1,574,097)	951,364	62,746
Benefit Payments	<u>(6,532,276)</u>	<u>(6,034,108)</u>	<u>(6,103,903)</u>	<u>(5,671,413)</u>	<u>(5,214,055)</u>
Net Change in Plan Fiduciary Net Position	1,856,668	1,409,309	(15,869)	1,714,734	816,995
Plan Fiduciary Net Position - Beginning	<u>6,650,215</u>	<u>5,240,906</u>	<u>5,256,775</u>	<u>3,542,041</u>	<u>2,725,046</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 8,506,883</u>	<u>\$ 6,650,215</u>	<u>\$ 5,240,906</u>	<u>\$ 5,256,775</u>	<u>\$ 3,542,041</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 121,534,849</u>	<u>\$ 149,537,788</u>	<u>\$ 148,567,346</u>	<u>\$ 161,585,746</u>	<u>\$ 141,554,179</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.54%	4.26%	3.41%	3.15%	2.44%
Covered Payroll	\$ 64,080,562	\$ 60,543,237	\$ 58,779,842	\$ 62,315,670	\$ 60,500,650
Net OPEB Liability as a Percentage of Covered Payroll	189.66%	246.99%	252.75%	259.30%	233.97%

See accompanying Notes to Required Supplementary Information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

**SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS –
OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED) (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Total OPEB Liability</u>			
Service Cost	\$ 3,566,214	\$ 2,614,496	\$ 2,886,392
Interest	6,719,148	6,206,574	6,392,540
Changes of Benefit Terms	-	(2,517,704)	-
Differences Between Expected and Actual Experience	-	5,539,349	-
Changes of Assumptions	16,198,648	(223,646)	-
Benefit Payments	<u>(4,192,259)</u>	<u>(3,868,209)</u>	<u>(3,947,826)</u>
Net Change in Total OPEB Liability	22,291,751	7,750,860	5,331,106
Total OPEB Liability - Beginning	<u>110,485,189</u>	<u>102,734,329</u>	<u>97,403,223</u>
Total OPEB Liability - Ending (a)	<u>\$ 132,776,940</u>	<u>\$ 110,485,189</u>	<u>\$ 102,734,329</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	\$ 4,790,933	\$ 4,394,179	\$ 4,381,467
Net Investment Income	149,980	114,558	98,101
Benefit Payments	<u>(4,192,259)</u>	<u>(3,868,209)</u>	<u>(3,947,826)</u>
Net Change in Plan Fiduciary Net Position	748,654	640,528	531,742
Plan Fiduciary Net Position - Beginning	<u>1,976,392</u>	<u>1,335,864</u>	<u>804,122</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,725,046</u>	<u>\$ 1,976,392</u>	<u>\$ 1,335,864</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 130,051,894</u>	<u>\$ 108,508,797</u>	<u>\$ 101,398,465</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.05%	1.79%	1.30%
Covered Payroll	\$ 60,500,650	\$ 58,738,497	\$ 53,773,100
Net OPEB Liability as a Percentage of Covered Payroll	214.96%	184.73%	188.57%

(1) Data is being accumulated annually to present 10 years of the reported information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

**SCHEDULE OF CHANGES IN THE ELECTRIC DEPARTMENT'S NET OPEB LIABILITY
AND RELATED RATIOS – OTHER POSTEMPLOYMENT BENEFITS PLAN (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Total OPEB liability</u>				
Service cost	\$ 166,500	\$ 142,235	\$ 128,401	\$ 122,509
Interest	417,689	354,780	343,003	334,785
Differences Between Expected and Actual Experience	-	(116,742)	-	51,052
Changes of Assumptions	160,266	1,303,297	199,850	66,199
Benefit Payments	<u>(243,802)</u>	<u>(239,944)</u>	<u>(223,601)</u>	<u>(216,923)</u>
Net Change in Total OPEB Liability	500,653	1,443,626	447,653	357,622
Total OPEB Liability - Beginning	<u>7,589,769</u>	<u>6,146,143</u>	<u>5,698,490</u>	<u>5,340,868</u>
Total OPEB Liability - Ending (a)	<u>\$ 8,090,422</u>	<u>\$ 7,589,769</u>	<u>\$ 6,146,143</u>	<u>\$ 5,698,490</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	\$ 243,802	\$ 239,944	\$ 223,601	\$ 216,923
Net Investment Income	823,071	(1,249,502)	809,929	843,271
Benefit Payments	<u>(243,802)</u>	<u>(239,944)</u>	<u>(223,601)</u>	<u>(216,923)</u>
Net Change in Plan Fiduciary Net Position	823,071	(1,249,502)	809,929	843,271
Plan Fiduciary Net Position - Beginning	<u>6,301,763</u>	<u>7,551,265</u>	<u>6,741,336</u>	<u>5,898,065</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 7,124,834</u>	<u>\$ 6,301,763</u>	<u>\$ 7,551,265</u>	<u>\$ 6,741,336</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ 965,588</u>	<u>\$ 1,288,006</u>	<u>\$ (1,405,122)</u>	<u>\$ (1,042,846)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	88.07%	83.03%	122.86%	118.30%
Covered Payroll	\$ 4,768,328	\$ 4,629,445	\$ 4,310,335	\$ 4,184,791
Net OPEB Liability as a Percentage of Covered Payroll	20.25%	27.82%	-32.60%	-24.92%

See accompanying Notes to Required Supplementary Information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

**SCHEDULE OF CHANGES IN THE ELECTRIC DEPARTMENT'S NET OPEB LIABILITY
AND RELATED RATIOS – OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED) (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Total OPEB Liability</u>			
Service Cost	\$ 101,558	\$ 98,517	\$ 126,222
Interest	318,776	314,415	301,433
Differences Between Expected and Actual Experience	-	(155,780)	-
Changes of Assumptions	(190,394)	-	-
Benefit Payments	<u>(197,995)</u>	<u>(177,330)</u>	<u>(189,681)</u>
Net Change in Total OPEB Liability	31,945	79,822	237,974
Total OPEB Liability - Beginning	<u>5,308,923</u>	<u>5,229,101</u>	<u>4,991,127</u>
Total OPEB Liability - Ending (a)	<u>\$ 5,340,868</u>	<u>\$ 5,308,923</u>	<u>\$ 5,229,101</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	\$ 265,500	\$ 177,330	\$ 675,025
Net Investment Income	1,026,629	(285,638)	534,449
Benefit Payments	<u>(197,995)</u>	<u>(177,330)</u>	<u>(189,681)</u>
Net Change in Plan Fiduciary Net Position	1,094,134	(285,638)	1,019,793
Plan Fiduciary Net Position - Beginning	<u>4,803,931</u>	<u>5,089,569</u>	<u>4,069,776</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 5,898,065</u>	<u>\$ 4,803,931</u>	<u>\$ 5,089,569</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ (557,197)</u>	<u>\$ 504,992</u>	<u>\$ 139,532</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	110.43%	90.49%	97.33%
Covered Payroll	\$ 3,238,743	\$ 3,144,411	\$ 3,052,826
Net OPEB Liability as a Percentage of Covered Payroll	-17.20%	16.06%	4.57%

(1) Data is being accumulated annually to present 10 years of the reported information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

**SCHEDULE OF TOWN'S CONTRIBUTIONS – OTHER
POSTEMPLOYMENT BENEFITS PLAN (1)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Required Contribution	\$ 9,505,862	\$ 10,445,021	\$ 11,453,921	\$ 10,276,616
Contributions in Relation to the Actuarially Required Contribution	<u>7,507,127</u>	<u>6,918,392</u>	<u>7,662,131</u>	<u>6,434,783</u>
Contribution Deficiency (Excess)	<u>\$ 1,998,735</u>	<u>\$ 3,526,629</u>	<u>\$ 3,791,790</u>	<u>\$ 3,841,833</u>
Town's Covered Payroll	\$ 64,080,562	\$ 60,543,237	\$ 58,779,842	\$ 62,315,670
Contributions as a Percentage of Covered Payroll	11.72%	11.43%	13.04%	10.33%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Required Contribution	\$ 12,529,562	\$ 11,623,416	\$ 10,051,332	\$ 9,832,225
Contributions in Relation to the Actuarially Required Contribution	<u>5,968,304</u>	<u>4,790,933</u>	<u>4,394,179</u>	<u>4,381,467</u>
Contribution Deficiency (Excess)	<u>\$ 6,561,258</u>	<u>\$ 6,832,483</u>	<u>\$ 5,657,153</u>	<u>\$ 5,450,758</u>
Town's Covered Payroll	\$ 60,500,650	\$ 60,500,650	\$ 58,738,497	\$ 53,773,100
Contributions as a Percentage of Covered Payroll	9.86%	7.92%	7.48%	8.15%

(1) Data is being accumulated annually to present 10 years of the reported information.

**SCHEDULE OF ELECTRIC DEPARTMENT'S CONTRIBUTIONS –
OTHER POSTEMPLOYMENT BENEFITS PLAN (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially Required Contribution	\$ 210,088	\$ 201,518	\$ 128,401	\$ 71,392
Contributions in Relation to the Actuarially Required Contribution	<u>243,802</u>	<u>239,944</u>	<u>223,601</u>	<u>216,923</u>
Contribution Deficiency (Excess)	<u>\$ (33,714)</u>	<u>\$ (38,426)</u>	<u>\$ (95,200)</u>	<u>\$ (145,531)</u>
Electric Department's Covered Payroll	\$ 4,768,328	\$ 4,629,445	\$ 4,310,335	\$ 4,184,791
Contributions as a Percentage of Covered Payroll	5.11%	5.18%	5.19%	5.18%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Actuarially Required Contribution	\$ 62,435	\$ 133,127	\$ 189,368	
Contributions in Relation to the Actuarially Required Contribution	<u>265,500</u>	<u>177,330</u>	<u>675,025</u>	
Contribution Deficiency (Excess)	<u>\$ (203,065)</u>	<u>\$ (44,203)</u>	<u>\$ (485,657)</u>	
Electric Department's Covered Payroll	\$ 3,238,743	\$ 3,144,411	\$ 3,052,826	
Contributions as a Percentage of Covered Payroll	8.20%	5.64%	22.11%	

(1) Data is being accumulated annually to present 10 years of the reported information.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
 REQUIRED SUPPLEMENTARY INFORMATION
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

**SCHEDULE OF TOWN INVESTMENT RETURNS – OTHER POSTEMPLOYMENT
 BENEFITS PLAN (1)**

Year-Ended:	Annual Money-Weighted Rate of Return, Net of Investment Expense
2024	12.96 %
2023	8.68
2022	23.50
2021	26.86
2020	1.91
2019	5.94
2018	7.19
2017	8.45

(1) Data is being accumulated annually to present 10 years of the reported information

**SCHEDULE OF ELECTRIC DEPARTMENT INVESTMENT RETURNS –
 OTHER POSTEMPLOYMENT BENEFITS PLAN (1)**

Year-Ended:	Annual Money-Weighted Rate of Return, Net of Investment Expense
2023	13.06 %
2022	16.55
2021	12.01
2020	14.30
2019	21.23
2018	(5.61)
2017	12.41

(1) Data is being accumulated annually to present 10 years of the reported information

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE A BUDGETARY – GAAP RECONCILIATION

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2024, is presented below:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary Basis as Reported on the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	\$ 104,938,270	\$ 101,159,246	\$ (5,406,125)
Adjustments and Reclassifications:			
Net Change in Recording 60-Day Receipts	80,203	-	-
Net Change in Recording Tax Refunds Payable	8,881	-	-
Net Change in Recording Intergovernmental Revenue	(168,744)	-	-
To Record MTRS On-Behalf Payments	9,491,636	9,491,636	-
To Record Encumbrances	-	(575,100)	-
To Reclassify the Stabilization Funds to the General Fund	434,247	-	3,370,000
To Reclassify the Other Postemployment Benefit Fund Contributions	-	580,000	580,000
	<u>-</u>	<u>580,000</u>	<u>580,000</u>
GAAP Basis as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 114,784,493</u>	<u>\$ 110,655,782</u>	<u>\$ (1,456,125)</u>

NOTE B SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION

The following methods and assumptions from the January 1, 2024 were used to determine the most recent actuarially determined contribution rates:

Methods:

Actuarial Cost Method	Entry Age Normal Cost
Asset Valuation Method	Fair Value

Assumptions:

Salary Increases	3.50% per year
Investment Rate of Return	7.00%
Cost of Living Adjustment	3.00% of the lesser of the pension amount and \$16,000 per year
Mortality	Healthy Retiree - Pub-2010 amount weighted mortality tables with full generational mortality improvement using scale MP-2021.
	Disabled Retiree - Pub-2010 disabled mortality tables with full generational mortality improvement using scale MP-2021.
Retirement Rates	General Employees - 1.00% and 1.50% for males and females, respectively, beginning at age 50 ranging to 30% to 20% for males and females, respectively, ending at age 69.
	Police and Fire - 2.00% beginning at age 50 ranging to 100% at age 65.

**TOWN OF NORTH ATTLEBOROUGH, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE C METHODS AND ASSUMPTIONS – CONTRIBUTIONS – TOWN OPEB

The following methods and assumptions from the July 1, 2023 valuation were used to determine the most recent actuarially determined contribution rates for the Town:

Valuation Date	July 1, 2023
Actuarial Cost Method	Entry Age Normal
Discount Rate	6.59%, net of investment expenses, including inflation
Healthcare Cost Trend Rate	5.00% for fiscal year 2024, grading down to an ultimate trend rate of 3.63% in fiscal year 2060
Pre-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2021 for males and females, set forward 1 year for females. Teachers: PubT-2010 Mortality Table (Headcount-weighted) for
Post-Retirement Mortality	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2021 for males and females, set forward 1 year for females. Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021.
Disabled Mortality	General: P-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for males and females. Teachers: PubT-2010 Mortality Table (Headcount-weighted) for Healthy Annuitants projected generationally with scale MP-2021.

NOTE D METHODS AND ASSUMPTIONS – CONTRIBUTIONS – ELECTRIC DEPARTMENT OPEB

The following methods and assumptions from the January 1, 2022 valuation were used to determine the most recent actuarially determined contribution rates for the Electric Department:

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Discount Rate	5.31%, net of investment expenses, including inflation
Pre-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
Post-Retirement Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females.
Disabled Mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year.
Investment Rate of Return	7.00%
Salary Increases	Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service.
Mortality Rates	Pre-retirement reflects Pub-2010 Teachers Employees mortality table projected generationally with Scale MP-2021 (gender distinct). Post-retirement reflects Pub-2010 Teachers Retirees mortality table projected generationally with Scale MP-2021 (gender distinct). Disability reflects Pub-2010 Teachers Retirees mortality table projected generationally with Scale MP-2021 (gender distinct).
Other	3.5% interest rate credited to the annuity savings fund and 3.0% cost of living increase per year.



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