

TOWN OF NORTON, MASSACHUSETTS
Report on the Examination of Basic Financial Statements
For the Year Ended June 30, 2022

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Independent Auditor's Report

To the Honorable Select Board
Town of Norton, Massachusetts

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Norton, Massachusetts, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Norton, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 of Norton, Massachusetts, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Norton, Massachusetts, 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 of Norton, Massachusetts' 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.

Auditor's 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 auditor's 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 judgement 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 of Norton, Massachusetts' 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 of Norton, Massachusetts' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension plan and other post-employment benefit plan schedules, as listed on the table of contents, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Norton, Massachusetts' basic financial statements. The Supplementary Schedule, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2023, on our consideration of the Town of Norton, Massachusetts' 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 of Norton, Massachusetts' 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 of Norton, Massachusetts' internal control over financial reporting and compliance.

Scanlon and Associates, LLC

Scanlon & Associates, LLC
South Deerfield, Massachusetts

February 2, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Norton, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The Town's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$3,155,609 (net position) for the fiscal year reported. This compares to the previous year when liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$2,044,854, or a decrease of \$1,110,755 (54%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$28,587,597, a decrease of \$2,157,513 (7%) in comparison with the prior year.
- The General Fund's total fund balance decreased \$1,141,694 (9%) to \$12,066,283. The ending General fund balance is 17% of revenues and transfers in; and 17% of expenditures and transfers out.
- The total liabilities of the Town increased by \$11,994,202 (7%) to \$191,579,218 during the fiscal year. This was mainly attributed to net increases in warrants and accounts payable of \$1,161,509, in bond anticipation notes payable of \$17,976,216 and in bonds payable of \$1,715,887; and decreases in the other post-employment benefit (OPEB) liability of \$3,659,759 and in the pension liability of \$4,618,304.
- The Town had General Fund free cash certified by the Department of Revenue in the amount of \$3,675,547. The key factors that attributed to the free cash amount for fiscal year 2022 were unexpended/unencumbered appropriations of \$1,252,800, excess over budget state and local receipts of \$1,883,500 and prior year free cash not appropriated of \$594,500.
- The Town's enterprise funds certified free cash are as follows:
 - Sewer fund \$ 2,708,062.
 - Water fund \$ 2,433,051.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

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

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

Both of the government-wide financial statements distinguish functions 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*). The governmental activities include general government, public safety, public works, education, health and human services, culture and recreation, employee benefits and insurance, state assessments and interest. The business-type activity includes sewer and water.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and 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 fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial 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 activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Norton adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and water activities.

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

Notes to the 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.

Financial Highlights

Statement of Net Position Highlights

		Governmental Activities		
		2022	2021	Change
Assets:				
Current assets	\$	54,466,552	\$ 37,590,607	\$ 16,875,945
Noncurrent assets (excluding capital assets)		171,497	311,264	(139,767)
Capital assets		75,793,432	68,387,313	7,406,119
Total assets		130,431,481	106,289,184	24,142,297
Deferred Outflows of Resources		22,423,341	24,275,304	(1,851,963)
Liabilities:				
Current liabilities (excluding debt and leases)		4,531,999	3,643,518	888,481
Current debt including leases		21,862,204	3,502,297	18,359,907
Noncurrent liabilities (excluding debt and leases)		118,681,720	127,130,219	(8,448,499)
Noncurrent debt including leases		17,698,923	14,567,390	3,131,533
Total liabilities		162,774,846	148,843,424	13,931,422
Deferred Inflows of Resources		16,789,725	4,227,698	12,562,027
Net Position:				
Net investment in Capital assets		46,738,776	51,134,670	(4,395,894)
Restricted		22,701,284	16,493,317	6,207,967
Unrestricted		(96,149,809)	(90,134,621)	(6,015,188)
Total net position	\$	(26,709,749)	\$ (22,506,634)	\$ (4,203,115)

		Business-Type Activities		
		2022	2021	Change
Assets:				
Current assets	\$	13,019,278	\$ 12,232,499	\$ 786,779
Noncurrent assets (excluding capital assets)		1,109,500	-	1,109,500
Capital assets		38,049,125	38,219,312	(170,187)
Total assets		52,177,903	50,451,811	1,726,092
Deferred Outflows of Resources		932,840	1,010,209	(77,369)
Liabilities:				
Current liabilities (excluding debt)		418,547	446,262	(27,715)
Current debt		2,385,661	2,424,479	(38,818)
Noncurrent liabilities (excluding debt)		4,587,875	4,557,901	29,974
Noncurrent debt		21,412,289	23,312,950	(1,900,661)
Total liabilities		28,804,372	30,741,592	(1,937,220)
Deferred Inflows of Resources		752,231	258,648	493,583
Net Position:				
Net Investment in Capital Assets		14,251,175	12,481,883	1,769,292
Restricted		3,835,747	3,331,840	503,907
Unrestricted		5,467,218	4,648,057	819,161
Total net position	\$	23,554,140	\$ 20,461,780	\$ 3,092,360

Statement of Activities Highlights

	Governmental Activities		
	2022	2021	Change
Program Revenues:			
Charges for services	\$ 5,192,831	\$ 5,134,795	\$ 58,036
Operating grants and contributions	26,084,877	28,323,221	(2,238,344)
Capital grants and contributions	556,641	638,887	(82,246)
General Revenues:			
Property taxes	42,752,466	40,998,718	1,753,748
Motor vehicle excise and other taxes	3,158,866	3,062,589	96,277
Hotel room occupancy and meals taxes	343,044	289,603	53,441
Penalties and interest on taxes	244,516	303,838	(59,322)
Nonrestricted grants	2,401,447	2,391,256	10,191
Unrestricted investment income	653,880	1,790,229	(1,136,349)
Miscellaneous	7,945	9,409	(1,464)
Total revenues	81,396,513	82,942,545	(1,546,032)
Expenses:			
General government	3,310,203	4,554,913	(1,244,710)
Public safety	10,505,786	11,089,800	(584,014)
Public works	2,185,007	2,141,484	43,523
Education	42,705,513	38,509,985	4,195,528
Health and human services	726,641	722,740	3,901
Culture and recreation	653,822	648,431	5,391
Employee benefits and insurance	23,593,829	29,143,975	(5,550,146)
State assessments	1,777,672	1,934,937	(157,265)
Interest	678,381	547,139	131,242
Total expenses	86,136,854	89,293,404	(3,156,550)
Contributions to permanent funds	14,750	13,250	1,500
Transfers	522,476	456,511	65,965
Change in net position	(4,203,115)	(5,881,098)	1,677,983
Net position - beginning of year	(22,506,634)	(16,625,536)	(5,881,098)
Net position - end of year	\$ (26,709,749)	\$ (22,506,634)	(4,203,115)

	Business-Type Activities		
	2022	2021	Change
Program Revenues:			
Charges for services	\$ 7,450,779	\$ 6,083,749	\$ 1,367,030
Operating grants and contributions	15,496	34,367	(18,871)
Capital grants and contributions	1,589,580	1,157,101	432,479
Total revenues	9,055,855	7,275,217	1,780,638
Expenses:			
Sewer	2,089,676	1,739,760	349,916
Water	3,351,343	3,850,147	(498,804)
Total expenses	5,441,019	5,589,907	(148,888)
Transfers	(522,476)	(456,511)	(65,965)
Change in net position	3,092,360	1,228,799	1,863,561
Net position - beginning of year	20,461,780	19,232,981	1,228,799
Net position - end of year	\$ 23,554,140	\$ 20,461,780	\$ 3,092,360

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$3,155,609 at the close of fiscal year 2022.

Net position of \$60,989,951 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets 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 its 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 net position, \$26,537,031, represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$90,682,591).

At the end of the current fiscal year, the Town is able to report positive balances in two categories of net position and a negative balance in the unrestricted category in the governmental activities and for the government as a whole. The unrestricted governmental activities and government as a whole resulted in a negative balance mainly due to the accrual of the OPEB and pension liabilities that are required under GASB to be recognized in the Town's financial statements. These liabilities are presented on the statement of net position.

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position for the business-type activities.

The governmental activities net position decreased by \$4,201,115 (195%) during the current fiscal year. The key elements of the decrease in net position for fiscal year 2022 was attributed to the acquisition of \$10,861,383 in new capital assets exceeding the depreciation expense (normally spread out over the useful life of the asset) for the year of \$3,455,264, and to increases resulting from the changes in the OPEB liability of \$4,007,381 and in the pension liability of \$4,274,915; and decreases as a result of recognizing the net changes in governmental funds of \$2,157,513, in debt and leases payable of \$3,515,222 and in the deferred outflows/(inflows) of resources related to OPEB of \$9,678,307 and related to pensions of \$4,735,683 as compared to the prior year.

There was an increase of \$3,092,360 (15%) in net position reported in connection with the sewer and water business-type activities. Of this, there were increases of \$2,168,078 attributed to the sewer department and of \$924,282 attributed to the water department.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, the general fund *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$28,587,597, a decrease of \$2,157,513 (7%) in comparison with the prior year.

Breakdown of the governmental funds are as follows:

- Nonspendable fund balance – \$325,850.
- Restricted fund balance – \$22,214,417.
- Committed fund balance – \$3,968,185.
- Assigned fund balance – \$4,474,718.
- Unassigned fund balance – (\$2,395,573).

Major Governmental Funds

The *General Fund* is the Town's primary operating fund and the largest source of day-to-day operations. At the end of the fiscal year, the General Fund reported a total fund balance of \$12,066,283, decreasing \$1,141,694 (9%) from the prior year. Of the \$12,066,283, the unassigned amount is \$7,591,565 (63%) and the assigned amount is \$4,474,718 (37%). General fund revenues were \$2,845,467 (4%) less than the prior fiscal year and expenditures also decreased by \$1,329,864 (2%). Other activity in the General Fund consisted of net transfers in from other funds of \$454,806.

The main components of the increases in general fund revenues as compared to the prior year related to increases in property taxes in the amount of \$948,678 (2%) and in excise and other taxes of \$466,046 (15%); and a decrease in intergovernmental "on-behalf" payments of \$4,421,723 (47%).

The major changes with the general fund expenditures from the prior fiscal year were as follows:

- Increase in Education expenditures of \$2,076,086 (6%).
- Decrease in Employee benefits and insurance of \$3,226,579 (16%).

The *Cyrus Hicks fund* is the accumulation of resources over many years and has a balance of \$10,730,566 at the end of the fiscal year increasing by \$448,188 (4%). This amount was attributed to interest of \$506,989, unrealized gain/(loss) of \$160,699, expenses of \$19,500 and transfers out to the general fund of \$200,000.

The *School Capital Projects Fund* is used to account for the construction and improvements at various Schools (the Schools' windows and doors projects with the assistance of the Massachusetts School Building Authority, the Schools' energy improvements and the high school athletic complex improvements). The fund has deficit balances totaling \$7,615,919 at the end of the fiscal year, decreasing by \$7,289,135 during the year. This decrease is attributed to expenditures of \$7,369,519 and the proceeds from the premium on the issuance of debt of \$80,834. The Town has also issued bond anticipation notes totaling \$16,173,590 which are not reflected in the balance. These deficits will be eliminated with the issuance of permanent debt.

Proprietary funds. The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Fund

The *Sewer Fund* has accumulated a fund balance of \$9,804,053 used in the financing and operations of the Town's sewer system. The sewer fund shows an increase of \$2,168,078 (28%) in total operations. This change was mainly attributed to operating revenues exceeding operating expenses by \$728,813, interest income of \$3,096, special assessments income of \$1,589,580, interest expense of \$160,522 and net transfers in from the general fund of \$7,111. Operating revenues increased by \$693,640 (35%) and operating expenses also increased by \$275,461 (17%) from the prior year.

The *Water Fund* has accumulated a fund balance of \$13,750,087 used in the financing and operations of the Town's water system. The water fund shows an increase of \$924,282 (7%) in total operations. This change resulted from operating revenues exceeding operating expenses by \$1,525,426, interest income of \$12,400, interest expense of \$83,957 and net transfers out to governmental funds of \$529,587. Operating revenues increased by \$673,390 (16%) while operating expenses decreased by \$79,628 (2%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2022 was \$70,102,369. This was an increase of \$1,779,872 (2%) over the previous year's budget.

There was an increase of \$1,037,374 between the original budget and the total final amended budget. The change is attributed to votes made at the Special Town Meetings in October 2021 and June 2022 for various budget operating line items.

General fund expenditures were less than budgeted by \$4,447,360. Of the \$4,447,360 in under budget expenditures, \$3,194,577 has been carried over to fiscal year 2023.

There were negative variances in interest and penalties on taxes of \$5,484 and in interest on investments of \$36,206 as expectations (budget) were higher than the receipts.

Overall, the variance with the final budget was a positive \$3,257,210 consisting of a revenue surplus of \$2,004,427 and an appropriation surplus of \$1,252,783.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities amounts to \$75,793,432 and \$38,049,125, respectively.

The investment in capital assets includes land, construction in progress, buildings and renovations, machinery, equipment and other and infrastructure.

Major capital events during the current fiscal year in the governmental type funds included the following:

- Foreclosure properties for \$80,341.
- Land acquisitions for \$2,050,000.
- Town Hall improvements for \$106,274.
- New town Hall construction for \$264,060.
- Rail Trail design and improvements for \$72,553.
- Police vehicle purchases for \$154,431.
- Fire Department vehicle purchase for \$53,947.
- Highway vehicle and equipment purchases for \$204,156.
- Road improvements/infrastructure for \$239,870.
- School vehicle purchase for \$63,747.
- School Buildings' improvements for \$7,369,518.

Major capital acquisitions during the current fiscal year in the business-type funds included the following:

In the Sewer Fund:

- Sewer infrastructure improvements for \$460,455.

In the Water Fund:

- Water vehicle purchase for \$32,146.
- Water infrastructure improvements for \$536,970.

Debt Administration. The Town's outstanding governmental long-term debt, as of June 30, 2022, totaled \$19,012,109, of which \$11,655,000 is for various school building renovations, \$260,000 is for various land acquisitions, \$150,000 is for sewer projects, \$305,000 for the water management projects, \$5,280,000 is for the building improvements, \$575,000 is for Dam improvements, \$125,000 is for landfill capping, \$220,000 is for the watershed plan and \$442,109 is for the Title V septic loan projects.

The governmental activities currently have \$19,423,434 in bond anticipation notes outstanding for various projects.

The Town has governmental leases for financing the acquisition of departmental vehicles and equipment. The last lease is due in 2025. The Town currently owes \$517,682 on these leases consisting of \$494,606 in principal and \$23,076 in interest.

The business-type funds outstanding long-term debt totaling \$22,947,950 consists of \$7,235,295 in sewer debt and \$15,712,655 which relates to water projects that are fully supported by the rates.

The Town also has \$850,000 in business-type temporary debt for a water project.

Please refer to notes 3D, 3F, 3G and 3H for further discussion of the major capital, debt and lease activity.

Next Year's Annual Town Meeting

The Town of Norton operates under the "Open Meeting" concept where each voter has an equal vote in adopting of Town budgets and appropriations. The financial statements for June 30, 2022 do not reflect the fiscal year 2023 Town Meeting action except for the fund balance free cash and stabilization amounts used to fund the 2023 budget.

The Annual Town Meeting on June 7, 2022 authorized a fiscal year 2023 operating and capital budget as follows:

From the tax levy		\$ 63,513,985
From sewer receipts	\$ 2,199,669	
From sewer betterments	81,600	
From sewer retained earnings	<u>608,273</u>	2,889,542
From water receipts	4,293,358	
From water retained earnings	<u>741,225</u>	5,034,583
From Other Available Funds:		
General Fund:		
Unassigned fund balance:		
Free cash		734,000
Capital improvement stabilization fund		546,141
Cyrus Hicks fund		200,000
Non-major Governmental Funds:		
Ambulance fund	763,200	
Dog fund	10,000	
Premium on Sale of Bonds	11,972	
Septic repair program funds	35,000	
Wetlands protection fund	<u>3,000</u>	823,172
		<u><u>\$ 73,741,423</u></u>

Requests for Information

This financial report is designed to provide a general overview of the Town of Norton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager or Town Accountant, 70 East Main Street, Norton, Massachusetts 02766.

BASIC FINANCIAL STATEMENTS

TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 35,221,908	\$ 11,175,294	\$ 46,397,202
Investments	15,165,129	-	15,165,129
Receivables, net of allowance for uncollectibles:			
Property Taxes	547,789	-	547,789
Deferred Property Taxes	157,135	-	157,135
Tax Liens	641,760	-	641,760
Excise Taxes	445,455	-	445,455
User Charges	-	1,679,852	1,679,852
Departmental	550,877	-	550,877
Special Assessments	49,027	73,742	122,769
Due from Other Governments	1,687,472	90,390	1,777,862
Total current assets	54,466,552	13,019,278	67,485,830
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	171,497	1,109,500	1,280,997
Capital Assets, net of accumulated Depreciation			
Nondepreciable	18,640,799	7,581,704	26,222,503
Depreciable	57,152,633	30,467,421	87,620,054
Total noncurrent assets	75,964,929	39,158,625	115,123,554
Total Assets	130,431,481	52,177,903	182,609,384
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	6,172,605	495,825	6,668,430
Deferred Outflows Related to OPEB	16,250,736	437,015	16,687,751
Total Deferred Outflows of Resources	\$ 22,423,341	\$ 932,840	\$ 23,356,181

(Continued)

TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	\$ 1,221,787	\$ 79,375	\$ 1,301,162
Accrued Payroll	198,864	17,956	216,820
Retainage Payable	60,600		60,600
Payroll Withholdings	515,198	-	515,198
Tax Refund Payable	37,500	-	37,500
Accrued Interest	231,678	231,740	463,418
Other	436,027	-	436,027
Unearned Revenue	903,986	-	903,986
Compensated Absences	926,359	89,476	1,015,835
Bond Anticipation Notes Payable	19,423,434	850,000	20,273,434
Leases Payable	308,965	-	308,965
Bonds Payable	2,129,805	1,535,661	3,665,466
Total current liabilities	26,394,203	2,804,208	29,198,411
NONCURRENT:			
Compensated Absences	1,511,380	115,974	1,627,354
Net OPEB Liability	92,449,355	2,486,148	94,935,503
Net Pension Liability	24,720,985	1,985,753	26,706,738
Leases Payable	185,641	-	185,641
Bonds Payable	17,513,282	21,412,289	38,925,571
Total noncurrent liabilities	136,380,643	26,000,164	162,380,807
Total Liabilities	162,774,846	28,804,372	191,579,218
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	5,627,833	452,065	6,079,898
Deferred Inflows Related to OPEB	11,161,892	300,166	11,462,058
Total Deferred Inflows of Resources	16,789,725	752,231	17,541,956
NET POSITION			
Net Investment in Capital Assets	46,738,776	14,251,175	60,989,951
Restricted for:			
Capital Projects	5,344,364	2,326,167	7,670,531
Federal & State Grants	1,582,089	-	1,582,089
Permanent Funds:			
Expendable	118,420	-	118,420
Nonexpendable	325,850	-	325,850
Other Purposes	15,330,561	1,509,580	16,840,141
Unrestricted	(96,149,809)	5,467,218	(90,682,591)
Total Net Position	\$ (26,709,749)	\$ 23,554,140	\$ (3,155,609)

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 3,310,203	\$ 688,019	\$ 797,891	\$ -	\$ (1,824,293)	\$ -	\$ (1,824,293)
Public Safety	10,505,786	3,193,577	520,654	-	(6,791,555)	-	(6,791,555)
Public Works	2,185,007	50,257	28,133	556,641	(1,549,976)	-	(1,549,976)
Education	42,705,513	1,093,167	19,578,062	-	(22,034,284)	-	(22,034,284)
Health and Human Services	726,641	150,121	232,877	-	(343,643)	-	(343,643)
Culture and Recreation	653,822	17,690	67,461	-	(568,671)	-	(568,671)
Employee Benefits and Insurance	23,593,829	-	4,849,609	-	(18,744,220)	-	(18,744,220)
State Assessments	1,777,672	-	-	-	(1,777,672)	-	(1,777,672)
Interest	678,381	-	10,190	-	(668,191)	-	(668,191)
Total Governmental Activities	86,136,854	5,192,831	26,084,877	556,641	(54,302,505)	-	(54,302,505)
Business-Type Activities:							
Sewer	2,089,676	2,657,967	3,096	1,589,580	-	2,160,967	2,160,967
Water	3,351,343	4,792,812	12,400	-	-	1,453,869	1,453,869
Total Primary Government	\$ 91,577,873	\$ 12,643,610	\$ 26,100,373	\$ 2,146,221	(54,302,505)	3,614,836	(50,687,669)
General Revenues:							
Property Taxes					42,752,466	-	42,752,466
Motor vehicle and other taxes					3,158,866	-	3,158,866
Hotel room occupancy and meal taxes					343,044	-	343,044
Penalties & Interest on taxes					244,516	-	244,516
Grants & Contributions not restricted to specific programs					2,401,447	-	2,401,447
Unrestricted Investment Income					653,880	-	653,880
Miscellaneous					7,945	-	7,945
Contributions to Permanent Funds					14,750	-	14,750
Transfers, net					522,476	(522,476)	-
Total General Revenues, Contributions and Transfers					50,099,390	(522,476)	49,576,914
Change in Net Position					(4,203,115)	3,092,360	(1,110,755)
Net Position:							
Beginning of year					(22,506,634)	20,461,780	(2,044,854)
End of year					\$ (26,709,749)	\$ 23,554,140	\$ (3,155,609)

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTON, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Cyrus Hicks Fund	School Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 8,200,089	\$ -	\$ 9,769,662	\$ 17,252,157	\$ 35,221,908
Investments	4,434,563	10,730,566	-	-	15,165,129
Receivables, net of allowance for uncollectibles:					
Property Taxes	547,789	-	-	-	547,789
Deferred Property Taxes	157,135	-	-	-	157,135
Tax Liens	641,760	-	-	-	641,760
Excise Taxes	445,455	-	-	-	445,455
Departmental	-	-	-	550,877	550,877
Special Assessments	26,242	-	-	194,282	220,524
Due from Other Governments	304,873	-	-	1,330,211	1,635,084
Total Assets	\$ 14,757,906	\$ 10,730,566	\$ 9,769,662	\$ 19,327,527	\$ 54,585,661
Liabilities:					
Warrants and Accounts Payable	\$ 68,213	\$ -	\$ 1,151,391	\$ 2,183	\$ 1,221,787
Accrued Payroll	194,803	-	-	4,061	198,864
Retainage Payable	-	-	60,600	-	60,600
Payroll Withholdings	515,198	-	-	-	515,198
Tax Refund Payable	37,500	-	-	-	37,500
Other	5,014	-	-	431,013	436,027
Unearned Revenue	-	-	-	903,986	903,986
Bond Anticipation Notes Payable	-	-	16,173,590	3,249,844	19,423,434
Total Liabilities	820,728	-	17,385,581	4,591,087	22,797,396
Deferred Inflows of Resources:					
Unavailable Revenue	1,870,895	-	-	1,329,773	3,200,668
Fund Balance:					
Non-Spendable	-	-	-	325,850	325,850
Restricted	-	10,730,566	-	11,483,851	22,214,417
Committed	-	-	-	3,968,185	3,968,185
Assigned	4,474,718	-	-	-	4,474,718
Unassigned	7,591,565	-	(7,615,919)	(2,371,219)	(2,395,573)
Total Fund Balance	12,066,283	10,730,566	(7,615,919)	13,406,667	28,587,597
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,757,906	\$ 10,730,566	\$ 9,769,662	\$ 19,327,527	\$ 54,585,661

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Cyrus Hicks Fund	School Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 42,634,388	\$ -	\$ -	\$ -	\$ 42,634,388
Intergovernmental	15,926,969	-	-	7,517,942	23,444,911
Excise and Other Taxes	3,580,466	-	-	-	3,580,466
Charges for Services	-	-	-	3,590,602	3,590,602
Licenses, Permits, Fees	1,685,978	-	-	-	1,685,978
Interest and Penalties on Taxes	244,516	-	-	-	244,516
Investment Income	(13,808)	667,688	-	1,647	655,527
Gifts and Donations	-	-	-	137,608	137,608
Other	-	-	-	264,895	264,895
Intergovernmental - "On-behalf" Payments	4,909,773	-	-	-	4,909,773
Total Revenues	68,968,282	667,688	-	11,512,694	81,148,664
Expenditures:					
Current:					
General Government	2,694,974	19,500	-	2,952,946	5,667,420
Public Safety	9,344,409	-	-	1,084,923	10,429,332
Public Works	1,405,877	-	-	592,085	1,997,962
Education	34,293,227	-	7,369,519	6,614,170	48,276,916
Health and Human Services	591,340	-	-	327,764	919,104
Culture and Recreation	542,846	-	-	81,468	624,314
Employee Benefits and Insurance	17,462,135	-	-	-	17,462,135
State Assessments	1,777,672	-	-	-	1,777,672
Debt Service:					
Principal	1,904,794	-	-	-	1,904,794
Interest	547,508	-	-	-	547,508
Total Expenditures	70,564,782	19,500	7,369,519	11,653,356	89,607,157
Excess of Revenues Over (Under) Expenditures	(1,596,500)	648,188	(7,369,519)	(140,662)	(8,458,493)
Other Financing Sources (Uses):					
Operating Transfers In	1,648,092	-	-	1,471,428	3,119,520
Operating Transfers Out	(1,193,286)	(200,000)	-	(1,203,758)	(2,597,044)
Proceeds from Lease	-	-	-	195,951	195,951
Premium from Bonds and Notes	-	-	80,384	572,987	653,371
Proceeds from Bonds and Notes	-	-	-	4,929,182	4,929,182
Total Other Financing Sources (Uses)	454,806	(200,000)	80,384	5,965,790	6,300,980
Net Change in Fund Balances	(1,141,694)	448,188	(7,289,135)	5,825,128	(2,157,513)
Fund Balances, Beginning of Year	13,207,977	10,282,378	(326,784)	7,581,539	30,745,110
Fund Balances, End of Year	\$ 12,066,283	\$ 10,730,566	\$ (7,615,919)	\$ 13,406,667	\$ 28,587,597

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF NORTON, MASSACHUSETTS
Reconciliation of the Governmental Funds Balance Sheet
Total Fund Balances to the Statement of Net Position
For the Year Ended June 30, 2022

Total Governmental Fund Balances		\$ 28,587,597
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.		75,793,432
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		3,253,056
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.		5,633,616
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Bonds Payable	\$ (19,643,087)	
Leases Payable	(494,606)	
Net Other Post Employment Benefits Liability	(92,449,355)	
Net Pension Liability	(24,720,985)	
Compensated Absences	<u>(2,437,739)</u>	(139,745,772)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.		<u>(231,678)</u>
Net Position of Governmental Activities		<u><u>\$ (26,709,749)</u></u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF NORTON, MASSACHUSETTS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ (2,157,513)

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 are reported as depreciation expense:

Capital Outlay Purchases	\$ 10,861,383	
Depreciation	<u>(3,455,264)</u>	7,406,119

Revenue in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. 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 unavailable revenue and WPAT subsidy. 182,258

The issuance of long-term debt (e.g., bonds 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 effect on net position:

Repayment of Debt Principal and Lease Principal	2,240,889	
Proceeds from Lease	(195,951)	
Net Amortization of Premium from Issuance of Bonds	22,393	
Premium from Bonds and Notes	(653,371)	
Proceeds from Bonds and Notes	<u>(4,929,182)</u>	(3,515,222)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Net Change in Compensated Absences	166,203	
Net Change in Net Other Post Employment Benefits Liability	4,007,381	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	(9,678,307)	
Net Change in Net Pension Liability	4,274,915	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	(4,735,683)	
Net Change in Accrued Interest on Long-Term Debt	<u>(153,266)</u>	(6,118,757)

Change in Net Position of Governmental Activities \$ (4,203,115)

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS -
(NON-GAAP) - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Actual Budgetary Basis	Amounts Carried Forward to Next year	Variance with Final Budget Positive (Negative)
	Amounts Carried Forward from Prior Year	Original Budget	Final Budget			
Revenues:						
Property Taxes	\$ -	\$ 42,565,030	\$ 42,624,870	\$ 42,745,788	\$ -	\$ 120,918
Intergovernmental	-	15,592,701	15,592,701	15,926,969	-	334,268
Excise and Other Taxes	-	2,726,513	2,726,513	3,580,466	-	853,953
Licenses, Permits, Fees	-	949,000	949,000	1,685,978	-	736,978
Interest and Penalties on Taxes	-	250,000	250,000	244,516	-	(5,484)
Interest on Investments	-	85,000	85,000	48,794	-	(36,206)
Total Revenues	-	62,168,244	62,228,084	64,232,511	-	2,004,427
Expenditures:						
Current:						
General Government	2,563,096	2,743,805	4,747,962	2,694,974	1,883,257	169,731
Public Safety	138,452	9,299,178	9,665,554	9,344,409	191,970	129,175
Public Works	163,168	1,279,398	1,669,770	1,405,877	208,808	55,085
Education	686,833	33,474,817	35,079,415	34,293,227	643,854	142,334
Health and Human Services	63,326	667,147	740,053	591,340	62,324	86,389
Culture and Recreation	632	568,054	568,686	542,846	13,604	12,236
Employee Benefits and Insurance	203,105	12,899,735	13,256,840	12,612,526	190,760	453,554
State Assessments	-	1,967,338	1,967,338	1,777,672	-	189,666
Debt Service:						
Principal	-	1,858,362	1,858,362	1,858,362	-	-
Interest	-	488,549	548,389	533,776	-	14,613
Total Expenditures	3,818,612	65,246,383	70,102,369	65,655,009	3,194,577	1,252,783
Excess of Revenues Over (Under) Expenditures	(3,818,612)	(3,078,139)	(7,874,285)	(1,422,498)	(3,194,577)	3,257,210
Other Financing Sources (Uses):						
Operating Transfers In	-	2,333,172	2,674,732	2,674,761	-	29
Operating Transfers Out	-	(719,436)	(2,993,286)	(2,993,286)	-	-
Total Other Financing Sources (Uses)	-	1,613,736	(318,554)	(318,525)	-	29
Net Change in Budgetary Fund Balance	(3,818,612)	(1,464,403)	(8,192,839)	\$ (1,741,023)	\$ (3,194,577)	\$ 3,257,239
Other Budgetary Items:						
Free Cash and Other Reserves	-	1,464,403	4,374,227			
Prior Year Encumbrances	3,818,612	-	3,818,612			
Total Other Budgetary Items	3,818,612	1,464,403	8,192,839			
NET BUDGET	\$ -	\$ -	\$ -			

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF NORTON, MASSACHUSETTS
Reconciliation of Revenues and Expenditures
from Budgetary Basis to GAAP Basis
For the Year Ended June 30, 2022

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 64,232,511	\$ 65,655,009
<u>Adjustments:</u>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	(62,602)	-
Net Decrease in Revenue from recording Refund Taxes Payable	(37,500)	-
Recognition of Intergovernmental Revenue - "on behalf payments"	4,909,773	-
Recognition of Expenditures - "on behalf payments"	-	4,909,773
Net Decrease in Revenue from Recording 60-Day Receipts	(73,900)	-
Reported on a GAAP Basis	<u>\$ 68,968,282</u>	<u>\$ 70,564,782</u>

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Water Fund	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 4,455,097	\$ 6,720,197	\$ 11,175,294
Receivables, net of allowance for uncollectibles:			
User Charges	393,670	1,286,182	1,679,852
Special Assessments	73,742	-	73,742
Due from Other Governments	90,390	-	90,390
Total current assets	5,012,899	8,006,379	13,019,278
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	1,109,500	-	1,109,500
Capital Assets, net of accumulated depreciation:			
Nondepreciable	6,695,808	885,896	7,581,704
Depreciable	4,942,484	25,524,937	30,467,421
Total noncurrent assets	12,747,792	26,410,833	39,158,625
Total Assets	17,760,691	34,417,212	52,177,903
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	57,162	438,663	495,825
Deferred Outflows Related to OPEB	65,631	371,384	437,015
Total Deferred Outflows of Resources	122,793	810,047	932,840
LIABILITIES			
CURRENT:			
Accounts Payable	10,653	68,722	79,375
Accrued Payroll	3,506	14,450	17,956
Accrued Interest	64,796	166,944	231,740
Compensated Absences	18,675	70,801	89,476
Bond Anticipation Notes Payable	-	850,000	850,000
Bonds Payable	375,708	1,159,953	1,535,661
Total current liabilities	473,338	2,330,870	2,804,208
NONCURRENT:			
Compensated Absences	47,008	68,966	115,974
Net OPEB Liability	373,372	2,112,776	2,486,148
Net Pension Liability	228,930	1,756,823	1,985,753
Bonds Payable	6,859,587	14,552,702	21,412,289
Total noncurrent liabilities	7,508,897	18,491,267	26,000,164
Total Liabilities	7,982,235	20,822,137	28,804,372
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	52,117	399,948	452,065
Deferred Inflows Related to OPEB	45,079	255,087	300,166
Total Deferred Inflows of Resources	97,196	655,035	752,231
NET POSITION			
Net Investment in Capital Assets	4,402,997	9,848,178	14,251,175
Restricted for Capital	335,391	1,990,776	2,326,167
Restricted for Betterments	1,509,580	-	1,509,580
Unrestricted	3,556,085	1,911,133	5,467,218
Total Net Position	\$ 9,804,053	\$ 13,750,087	\$ 23,554,140

The Notes to the Financial Statements are an integral part of this Statement.

TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Water Fund	Total
Operating Revenues:			
Charges for Services	\$ 2,651,628	\$ 4,288,129	\$ 6,939,757
Other	6,339	504,683	511,022
Total Operating Revenues	2,657,967	4,792,812	7,450,779
Operating Expenses:			
Salaries & Wages	280,984	1,031,986	1,312,970
Operating Expenses	1,364,146	1,319,666	2,683,812
Depreciation	284,024	915,734	1,199,758
Total Operating Expenses	1,929,154	3,267,386	5,196,540
Operating Income (Loss)	728,813	1,525,426	2,254,239
Non-Operating Revenues (Expenses):			
Investment Income	3,096	12,400	15,496
Special Assessments	1,589,580	-	1,589,580
Interest Expense	(160,522)	(83,957)	(244,479)
Total Non-Operating Revenues (Expenses)	1,432,154	(71,557)	1,360,597
Income (Loss) Before Operating Transfers	2,160,967	1,453,869	3,614,836
Operating Transfers:			
Transfer In	119,436	3,667	123,103
Transfers (Out)	(112,325)	(533,254)	(645,579)
Total Operating Transfers	7,111	(529,587)	(522,476)
Change in Net Position	2,168,078	924,282	3,092,360
Net Position at Beginning of Year	7,635,975	12,825,805	20,461,780
Net Position at End of Year	\$ 9,804,053	\$ 13,750,087	\$ 23,554,140

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Water Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 2,642,258	\$ 4,139,374	\$ 6,781,632
Receipts from Other Revenues	6,339	504,683	511,022
Payments to Vendors	(1,204,175)	(903,750)	(2,107,925)
Payments to Employees	(258,345)	(1,068,396)	(1,326,741)
Net Cash Provided by (Used for) Operating Activities	1,186,077	2,671,911	3,857,988
Cash Flows from Noncapital Financing Activities:			
Transfers from (to) Other Funds	7,111	(529,587)	(522,476)
Net Cash Provided by (Used for) Noncapital Financing Activities	7,111	(529,587)	(522,476)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(460,455)	(569,116)	(1,029,571)
Special Assessments	406,338	-	406,338
WPAT Project Drawdowns	513,130	-	513,130
Principal Payments on Bonds and Notes	(368,779)	(1,205,700)	(1,574,479)
Interest Expense	(136,011)	(462,373)	(598,384)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(45,777)	(2,237,189)	(2,282,966)
Cash Flows from Investing Activities:			
Investment Income	3,096	12,400	15,496
Net Cash Provided by (Used for) Investing Activities	3,096	12,400	15,496
Net Increase (Decrease) in Cash and Cash Equivalents	1,150,507	(82,465)	1,068,042
Cash and Cash Equivalents at Beginning of Year	\$3,304,590	\$6,802,662	\$10,107,252
Cash and Cash Equivalents at End of Year	\$ 4,455,097	\$ 6,720,197	\$ 11,175,294

**Reconciliation of Operating Income (Loss) to Net Cash Provided
by (Used For) Operating Activities:**

Operating Income (Loss)	\$ 728,813	\$ 1,525,426	\$ 2,254,239
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	284,024	915,734	1,199,758
Deferred (Outflows)/Inflows of Resources Related to Pensions	43,855	336,546	380,401
Deferred (Outflows)/Inflows of Resources Related to OPEB	13,451	177,100	190,551
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	(9,016)	9,718	702
Increase (Decrease) in Accrued Payroll	(4,722)	(34,790)	(39,512)
Increase (Decrease) in Compensated Absences	27,361	(1,620)	25,741
Increase (Decrease) in Net OPEB Liability	151,269	196,353	347,622
Increase (Decrease) in Net Pension Liability	(39,588)	(303,801)	(343,389)
Decrease (Increase) in User Charges Receivable	(9,370)	(148,755)	(158,125)
Total Adjustments	457,264	1,146,485	1,603,749
Net Cash Provided by (Used for) Operating Activities	\$ 1,186,077	\$ 2,671,911	\$ 3,857,988

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
ASSETS:		
Cash and Cash Equivalents	\$ -	\$ 153,674
Investments	862,173	-
Total Assets	862,173	153,674
NET POSITION:		
Restricted for Other Postemployment Benefits	862,173	-
Held in Trust for Other Purposes	-	153,674
Total Net Position	\$ 862,173	\$ 153,674

The Notes to the Financial Statements are an integral part of this Statement.

**TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
Additions		
Contributions:		
Employer	\$ 2,871,299	\$ -
Private Donations	-	73,550
Investment Income	(143,129)	143
Total Additions	<u>2,728,170</u>	<u>73,693</u>
Deductions:		
Educational Scholarships	-	38,445
Insurance and Employee Benefits	2,761,299	-
Total Deductions	<u>2,761,299</u>	<u>38,445</u>
Change in Net Position	<u>(33,129)</u>	<u>35,248</u>
Net Position at Beginning of Year	<u>895,302</u>	<u>118,426</u>
Net Position at End of Year	<u><u>\$ 862,173</u></u>	<u><u>\$ 153,674</u></u>

The Notes to the Financial Statements are an integral part of this Statement

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Norton, Massachusetts (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant Town accounting policies are described herein.

A. Reporting Entity

The Town was incorporated in 1711 under the laws of the Commonwealth of Massachusetts. The Town is governed by an elected five-member Select Board.

For financial reporting purposes, the Town has included all funds, organizations, account groups, 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. In fiscal year 2022, it was determined that no entities met the required GASB-39 and GASB-61 criteria for component units.

The Town is responsible for electing the governing board and/or committee members of the Norton Housing Authority and the Southeastern Regional Vocational Technical School District. These related organizations are excluded from the financial reporting entity because the Town's accountability does not extend beyond the Town electing the board and/or committee members. Audited financial statements are available from the respective organizations. Descriptions of the related organizations are as follows:

Norton Housing Authority - A public housing agency that provides housing assistance to eligible and qualified low and moderate income families, the elderly and handicapped. The housing authority is an autonomous and self-sufficient agency under the State Executive Office of Communities and Development. The Town has no significant influence over management, budget or policies of the authority.

Southeastern Regional Vocational Technical School District – A regional school district made up of ten communities to serve and provide a learning environment in specific career areas. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of operating and capital costs. The regional school district is a separate entity under the Commonwealth of Massachusetts. The Town elects one school committee members for its representation. The District is responsible for both the operating and capital costs related to the school and operates independently from the Town.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements

The government-wide financial statements (e.g., statement of net position and the statement of activities) report information on all of the non-fiduciary 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 supported primarily by user fees and charges.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements

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

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and change in net position.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

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

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

Proprietary and fiduciary funds are reported by fund type.

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, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise funds and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported.

Fund financial statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under the modified accrual basis concept, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to be used to pay current liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, excises and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 Town reports the following major governmental funds:

The *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 *Cyrus Hicks fund* is a special revenue fund (trust fund) that was given to the Town from a citizen in the 1800's. The income that is generated from the trust is to be used for the benefit of the Town, in accordance with the wishes of the trustees.

The *school capital projects fund* is used to account for financial resources to construction and improvements at various Schools.

The Town reports the following major proprietary funds:

The *sewer fund* is used to account for the sewer activities.

The *water fund* is used to account for the water activities.

The non-major governmental fund consists of other special revenue, capital projects and permanent funds that are aggregated and presented in the *non-major governmental funds'* column on the governmental funds' financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds).

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Additionally, the Town reports the following fund types:

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 for others that cannot be used to support the government programs. The Town reports the following fiduciary funds:

The *Other Post-Employment Benefit (OPEB) Trust Fund* is used to account for the assets held by the Town in trust for the payment of future retiree health insurance benefits. The assets of the OPEB Trust Fund cannot be used to support the Town's operations.

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Cash Equivalents

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. 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. The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption, "cash and cash equivalents".

Excluding the permanent funds, investment income derived from major and non-major governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

Investment income from proprietary funds is maintained in those funds.

E. Investments

The Town maintains investments according to Massachusetts General Laws and adopted policies. Investments are reported according to the fair value hierarchy established by generally accepted accounting principles. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is based upon valuation inputs, which are assumptions that market participants would use when pricing an asset or a liability, including assumptions about risk.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Level 2 inputs are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are indirectly observable for the asset or liability.

Level 3 inputs are unobservable for the asset or liability.

Certain investments, such as money market investments and 2a7-like external investment pools, are reported at amortized cost. 2a7-like pools are external investment pools that operate in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended and should be measured at the net asset value per share provided by the pool.

Additional investment disclosures are presented in these Notes.

F. Receivables

The recognition of revenues related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

Property Taxes, Deferred Property Taxes, Tax Liens and Taxes in Litigation

Property taxes are based on assessments as of January 1, 2021 and include betterments, special assessments and liens. Taxes are used to finance the operations of the Town for the fiscal year July 1st to June 30th. By law, all taxable property in the Commonwealth of Massachusetts must be assessed at 100% of fair cash value. Taxes are due and payable on July 1st. The Town has accepted the quarterly tax payment system. Under the quarterly tax payment system, the assessors make a preliminary tax commitment based on the prior year's net tax and may not exceed, with limited exceptions, fifty percent of that amount. The collector must mail preliminary tax bills each year by July 1st. The preliminary tax is payable in two equal installments. The first installment is due on August 1st and the second installment is due on November 1st. After the Town sets the tax rate, the assessors make the actual tax commitment. If actual bills are mailed on or before December 31st, the balance remaining is payable in two equal installments. The first installment is due on February 1st and the second installment is due on May 1st. If bills are mailed after December 31st, the entire balance is not due until May 1st or thirty days after the bills were mailed, whichever is later. Any betterments, special assessments and other charges are added to the actual bills. Interest at the rate of 14% is charged on the amount of any preliminary tax or actual tax installment payment that is unpaid and delinquent and is charged only for the number of days the payment is actually delinquent. If actual tax bills are mailed after December 31st, interest will be computed from May 1st, or the payment due date, whichever is later. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables. Revenues from property taxes are recognized in the fiscal year for which they have been levied.

The Town mailed preliminary tax bills for the fiscal year 2022 on June 30, 2021, that were due on August 2, 2021 and November 1, 2021 and actual bills on December 28, 2021 that were due on February 1, 2022 and May 2, 2022.

The Commonwealth of Massachusetts electorate in November, 1980, passed legislation known as Proposition 2 1/2, in order to limit the amount of revenue to be raised by taxation. The purpose of the legislation was to control the levy of taxes that are assessed to property owners of a Town. The legal levy limit under Proposition 2 1/2 for fiscal year 2022 is as follows;

Legal Levy Limit Under Proposition	
2 1/2 for fiscal year 2022	\$ 41,946,708
Add: Debt Exclusion	1,048,891
Maximum Allowable Levy	<u>\$ 42,995,599</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The total amount raised by taxation was \$42,974,870.

The allowance for uncollectible accounts is based on historical trends and specific account analysis.

Excise Taxes

Excise taxes consist of motor vehicle excise. Excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair value of those vehicles.

The tax calculation is the fair value of the vehicle multiplied by the \$25 per \$1,000 of value.

The allowance for uncollectibles is based on historical trends and specific account analysis.

User Charges

User charges in the governmental funds consist of prior fiscal year sewer that is based on individual meter readings and is subject to penalties and interest if not paid by the respective due date. Sewer charges and liens are recorded as receivables in the fiscal year of the levy.

User charges and fees in the business-type funds consist of water and sewer that is levied quarterly based on individual meter readings and is subject to penalties and interest if not paid by the respective due date. Water and sewer liens are processed each year and are included as a lien on the property owner's tax bill. Water and sewer charges and liens are recorded as receivables in the fiscal year of the levy.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

Departmental

Departmental receivables consist of police off-duty details and ambulance fees.

The allowance for uncollectibles is based upon historical trends and specific account analysis.

Special Assessments

Special assessments consist of the septic Title V betterments in the governmental activities and of sewer betterments in the business-type activities.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

Due from Other Governments

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure 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.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectibles.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

G. Capital Assets

Capital assets, which include land, construction in progress, buildings and renovations, machinery, equipment and other, and infrastructure assets (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government wide financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value.

All purchase and construction costs in excess of \$15,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of fixed assets are as follows:

Capital Asset Type	Years
Buildings and renovations	20-40
Machinery, equipment and other	3-10
Infrastructure	20-50

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

H. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

In the government-wide financial statements, operating transfers between and within 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".

In the fund financial statements, operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

I. Deferred Outflows/Inflows of Resources

Government-wide financial statements

The government-wide financial statements *Statement of Net Position* includes a separate section, listed below total assets, for *deferred outflows of resources*. This represents the usage of net position applicable for future period(s) and will not be recognized as expenditures until the future period to which it applies. Currently, the items in this category are *deferred outflows related to pensions and deferred outflows related to OPEB*.

In addition to liabilities, the *Statement of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the items in this category are *deferred inflows related to pensions and deferred inflows related to OPEB*.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

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 an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting that qualifies in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the Town's property, excise and other taxes; departmental revenue, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. Net position and Fund Balances

In the Government-Wide financial statements, the difference between the Town's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources represents net position. Net position displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net position available for future operations.

Net position classified as net investment in capital assets, consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position has been "restricted for" the following:

"Capital projects" represents amounts restricted for capital purposes.

"Federal and state grants" represents amounts restricted by the federal and state government for various programs.

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

"Permanent funds – expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Other purposes" represents restrictions placed on assets from outside parties.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of those resources.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, which is the Town meeting action and can be modified or rescinded only through these actions. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit.

Assigned fund balance. This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. Department heads and Town board/committees have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When the restricted and other fund balance resources are available for use, it is the Town's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts respectively.

K. Long-term Debt

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

The face amount of governmental funds long-term debt is reported as other financing sources. 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.

L. Compensated Absences

The Town grants to employees sick and vacation leave in varying amounts based upon length of service and in accordance with various individual union contracts. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.

M. Pension Benefits

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 Bristol County Retirement System (the System) and the Massachusetts Teachers Retirement System (MTRS) are provided. Additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable according with the benefit terms. Investments are reported at their fair value.

N. Post-Retirement Benefits

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with MGL, Chapter 32, on a pay-as-you-go basis. The cost of providing health insurance is recognized by recording the employer's 70% – 75% share of insurance premiums in the general fund in the fiscal year paid.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

O. Use of Estimates

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

P. Total Column

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted for the Town's General Fund. Although legislative approval is required for the acceptance of grants, capital projects, and borrowing authorizations, annual budgets are not prepared for any other fund; therefore, comparison of budget to actual is only presented for the General Fund.

The Town must establish its property tax rate each year so that the property tax rate levy will comply with the limits established by Proposition 2 1/2, as amended, and also equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for prior year deficits, if any, less (c) the aggregate of all non-property tax revenues estimated to be received, including available funds.

The Town follows these procedures in establishing the General Fund budgetary data as reflected in the financial statements:

- The budgets for all departments are prepared by the department heads and submitted to the Town Manager who presents the budget to the Town's finance committee for review.
- The finance committee, in turn, presents the omnibus budget for voter approval at the Annual Town Meeting of each fiscal year.
- The Town Manager can also present an alternative budget at the Town Meeting if there is not a finance committee consensus.
- The budget is legally enacted by vote of Town meeting members at the annual Town meeting.
- Supplemental appropriations may be made from available funds after the setting of the tax rate with Town meeting approval.
- Throughout the year appropriations may be transferred between departments with Town meeting approval.

Massachusetts law requires cities and towns to provide a balanced budget. Section 23 of Chapter 59 of the Massachusetts General Laws states, in part,

"The assessors shall annually assess taxes to an amount not less than the aggregate of all amounts appropriated, granted or lawfully expended by their respective towns (cities) since the preceding annual assessment and not provided for therein . . . "

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

For fiscal year 2022, the Town incurred a final budget deficit of \$8,192,839 for the General Fund.

The Town voted from the following sources to fund the deficit budget during the fiscal year:

Unassigned fund balance:	
Free cash votes	\$ 4,374,227
Prior year's encumbrances	3,818,612
	<u>\$ 8,192,839</u>

B. Deficit Fund Balances

The following funds have deficits at June 30, 2022 as measured by the balance of unreserved fund balance.

- The *School capital projects fund* is a Major fund for three Schools' funds (the Schools' windows and doors projects with the assistance of the Massachusetts School Building Authority, the Schools' energy improvements project and the high school athletic complex improvements project) and have deficits totaling \$7,615,919. The Town has outstanding bond anticipation notes totaling \$16,173,590. These deficits will be eliminated upon the issuance of permanent debt.
- The *Camp Edith Read property acquisition capital project fund* has a deficit of \$54,436. The Town has an outstanding bond anticipation note for \$54,436. The deficit will be eliminated upon the issuance of permanent debt.
- The *LED street lights capital project fund* has a deficit of \$154,455. The Town has an outstanding bond anticipation note for \$224,554. The deficit will be eliminated upon the issuance of permanent debt.
- The *Town Hall/Senior Center property acquisition capital project fund* has a deficit of \$1.8 million. The Town has an outstanding bond anticipation note for \$1.8 million. The deficit will be eliminated upon the issuance of permanent debt.
- The *Watershed plan capital project fund* has a deficit of \$123,995. The Town has an outstanding bond anticipation note for \$225,000. The deficit will be eliminated upon the issuance of permanent debt.
- The *Massachusetts Clean Water Trust septic loan program special revenue fund* has a deficit of \$238,333. The Town has an outstanding bond anticipation note for \$245,854. The deficit will be eliminated upon the issuance of permanent debt or appropriation.

3. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risks – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. The government does not have a deposit policy for custodial credit risk. Deposits at June 30, 2022 were \$48,280,677. Of these, \$243,526 are exposed to custodial credit risk as uninsured and uncollateralized.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Investment Policies

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

The MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer's office. According to the State Treasurer, the Trust's investment policy is designed to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U. S. Government obligations and highly-rated corporate securities with maturities of one year or less. The MMDT is an external investment pool that meets the criteria established under GASB Statement No. 79 to report its investments at amortized cost. MMDT's fair value is measured at amortized cost.

As of June 30, 2022, the Town had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	6 to 10
Debt Securities:				
U. S. treasury obligations	\$ 1,514,146	\$ 300,417	\$ 938,613	\$ 275,116
U. S. government agencies	420,601	165,046	255,555	-
Corporate bonds	2,725,239	275,391	2,115,900	333,948
Money market mutual fund	236,516	236,516	-	-
	<u>4,896,502</u>	<u>\$ 977,370</u>	<u>\$ 3,310,068</u>	<u>\$ 609,064</u>
Other Investments:				
Certificate of deposits	204,852			
Equity securities - domestic (stocks)	8,927,830			
Fixed Income	840,411			
MMDT	<u>1,157,707</u>			
	<u><u>\$ 16,027,302</u></u>			

Custodial Credit Risks

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the Town's \$16,027,302 in investments, none are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the Town's name. The Town has no policy on custodial credit risk.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Credit Risk

The Town's exposure to credit risk as of June 30, 2022 is as follows:

Related Debt Instruments	Fair Value
<u>Moody's Quality Ratings</u>	
<i>U. S. Treasury Obligations:</i>	
Aaa	\$ 1,514,146
<i>U. S. Government Agencies:</i>	
Aaa	420,601
<i>Corporate Bonds:</i>	
Aaa	353,264
A1	248,764
A2	646,143
A3	205,992
Baa1	666,859
Baa2	270,269
Not rated	333,948
<i>Money Market Mutual Funds:</i>	
Not rated	236,516
	<u>\$ 4,896,502</u>

Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in one issuer. The Town does not have more than 5 percent of the Town's investments in one issuer.

Fair Value of Investments

The Town 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.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The Town has the following recurring fair value measurements as of June 30, 2022:

Investment Type	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
U. S. treasury obligations	\$ 1,514,146	\$ 1,514,146	\$ -	\$ -
U. S. government agencies	420,601	420,601	-	-
Certificates of deposit	204,852	204,852	-	-
Equity securities - domestic	8,927,830	8,927,830	-	-
Fixed Income	840,411	840,411	-	-
Money market mutual fund	236,516	236,516	-	-
Corporate bonds	2,725,239	-	2,725,239	-
	14,869,595	\$ 12,144,356	\$ 2,725,239	\$ -
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	1,157,707			
Total Investments	\$ 16,027,302			

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 a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

B. Receivables

At June 30, 2022, receivables for the individual major governmental funds and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Major and nonmajor governmental funds:			
Property taxes	\$ 554,189	\$ (6,400)	\$ 547,789
Deferred property taxes	157,135	-	157,135
Tax liens	641,760	-	641,760
Taxes in litigation	1,092	(1,092)	-
Excise taxes	513,151	(67,696)	445,455
Departmental	1,364,081	(813,204)	550,877
Special assessments	220,524	-	220,524
Due from other governments	1,635,084	-	1,635,084
	\$ 5,087,016	\$ (888,392)	\$ 4,198,624

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

At June 30, 2022, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer Fund:			
Sewer user charges	\$ 394,170	\$ (500)	\$ 393,670
Special assessments	1,183,242	-	1,183,242
Due from other governments	90,390	-	90,390
Water Fund:			
Water user charges	1,287,182	(1,000)	1,286,182
	<u>\$ 2,954,984</u>	<u>\$ (1,500)</u>	<u>\$ 2,953,484</u>

The composition of amounts due from other governments as of June 30, 2022 for governmental funds and the business-type activities are as follows:

Governmental Funds:

General Fund:

Commonwealth of Massachusetts:

Department of Veterans Services:

Veterans benefits \$ 114,514

Department of Revenue:

Unrestricted government aid 190,359 \$ 304,873

Nonmajor Governmental Funds:

U. S. Department of Agriculture:

School lunch 263,201

U. S. Department of Education:

School title grants 18,838

U. S. Department of Homeland Security

Staffing for Adequate Fire and Emergency

Response (SAFER) grant 82,166

U. S. Department of the Treasury:

Pass Through Bristol County

Coronavirus Relief Fund 20,082

Commonwealth of Massachusetts:

Department of Elder Affairs

Council on Aging Grants 12,789

Department of Elementary and Secondary Education:

School Lunch 2,570

Department of Revenue:

School Choice 162,487

Executive Office of Public Safety & Homeland Security

Public Safety Grants 12,276

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funded projects 755,802 1,330,211

\$ 1,635,084

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The statement of net position for the government-wide financial statements reflects an additional amount of due from other governments as follows:

Governmental Funds:

Massachusetts Clean Water Trust:

Principal loan subsidy	\$	<u>52,388</u>
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The composition of amounts due from other governments as of June 30, 2022 for business-type funds is as follows:

Business-type Funds:

Massachusetts Clean Water Trust:

Sewer Pump Construction - CWT-18-43	\$	<u>90,390</u>
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C. Deferred Inflows of Resources – Unavailable Revenue

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds are as follows:

General Fund:

Property taxes	\$	485,789	
Deferred property taxes		157,135	
Tax liens		641,760	
Excise taxes		445,455	
Special assessments		26,242	
Due from other governments		<u>114,514</u>	\$ 1,870,895

Nonmajor Governmental Funds:

Departmental		385,760	
Special assessments		194,282	
Due from other governments		<u>749,731</u>	1,329,773
		<u>\$</u>	<u>3,200,668</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

D. Capital Assets

Capital asset activity for the year ended June 30, 2022, is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 8,921,199	\$ 2,130,341	\$ -	\$ 11,051,540
Construction in Progress	-	7,589,259	-	7,589,259
Total capital assets not being depreciated	8,921,199	9,719,600	-	18,640,799
Capital assets being depreciated:				
Buildings and Renovations	87,532,036	353,079	-	87,885,115
Machinery, equipment and other	10,401,716	476,281	-	10,877,997
Infrastructure	16,181,970	312,423	-	16,494,393
Total capital assets being depreciated	114,115,722	1,141,783	-	115,257,505
Less accumulated depreciation for:				
Buildings and Renovations	39,617,342	2,031,146	-	41,648,488
Machinery, equipment and other	7,964,994	696,017	-	8,661,011
Infrastructure	7,067,272	728,101	-	7,795,373
Total accumulated depreciation	54,649,608	3,455,264	-	58,104,872
Total capital assets being depreciated, net	59,466,114	(2,313,481)	-	57,152,633
Total governmental activities capital assets, net	\$ 68,387,313	\$ 7,406,119	\$ -	\$ 75,793,432

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 348,926	\$ -	\$ -	\$ 348,926
Construction in progress	6,235,353	997,425	-	7,232,778
Total capital assets not being depreciated	6,584,279	997,425	-	7,581,704
Capital assets being depreciated:				
Buildings and improvements	454,794	-	-	454,794
Machinery, equipment and other	1,424,373	32,146	-	1,456,519
Infrastructure	45,800,917	-	-	45,800,917
Total capital assets being depreciated	47,680,084	32,146	-	47,712,230
Less accumulated depreciation for:				
Buildings and improvements	208,266	19,563	-	227,829
Machinery, equipment and other	1,167,083	83,374	-	1,250,457
Infrastructure	14,669,702	1,096,821	-	15,766,523
Total accumulated depreciation	16,045,051	1,199,758	-	17,244,809
Total capital assets being depreciated, net	31,635,033	(1,167,612)	-	30,467,421
Total business-type activities capital assets, net	\$ 38,219,312	\$ (170,187)	\$ -	\$ 38,049,125

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

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

Governmental Activities:

General government	\$ 122,194
Public safety	570,553
Public works	788,738
Education	1,917,587
Health and human services	26,684
Culture and recreation	29,508
Total depreciation expense - governmental activities	<u>\$ 3,455,264</u>

Business-Type Activities:

Sewer fund	\$ 284,024
Water fund	915,734
Total depreciation expense - business-type activities	<u>\$ 1,199,758</u>

E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2022, are summarized as follows:

Transfers Out:	Transfers In:			
	General fund	Nonmajor governmental funds	Business-type funds	Total
General fund	\$ -	\$ 1,073,850	\$ 119,436	\$ 1,193,286
Cyrus Hicks fund	200,000	-	-	200,000
Nonmajor governmental funds	802,513	397,578	3,667	1,203,758
Business-type activities	645,579	-	-	645,579
Total transfers out	<u>\$ 1,648,092</u>	<u>\$ 1,471,428</u>	<u>\$ 123,103</u>	<u>\$ 3,242,623</u>

F. Lease Liability

The Town has entered into a non-cancelable lease for the financing departmental vehicles and equipment. The lease agreements qualify as leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets, including any expiring in 2022, acquired through the capital leases are as follows:

	Governmental Activities
Asset:	
Machinery, Equipment and Other	\$ 1,537,225
Less: Accumulated Depreciation	(479,908)
Total	<u>\$ 1,057,317</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, are as follows:

Year Ending June 30,	Governmental Activities
2023	\$ 323,970
2024	107,020
2025	86,692
Total minimum lease payments	517,682
Less: amount representing interest	(23,076)
Present value of minimum lease payments	<u>\$ 494,606</u>

G. Short-Term Financing

Under the general laws of the Commonwealth and with the appropriate local authorization the Town is authorized to borrow funds on a temporary basis to (1) fund current operations prior to the collection of revenues, by issuing revenue anticipation notes, (2) fund grants prior to reimbursements, by issuing grant anticipation notes, and (3) fund capital projects costs incurred prior to selling permanent debt by issuing bond anticipation notes.

Details related to the short-term debt activity of the governmental type activities are as follows:

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2021	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2022
Bond Anticipation Notes:						
Camp Edith Read property acquisition	0.58%	10/15/2021	\$ 108,872	\$ -	\$ 108,872	\$ -
LED Street Lights	0.54%	12/15/2021	299,300	-	299,300	-
School windows and doors	0.33%	6/17/2022	600,000	-	600,000	-
Watershed Improvements	0.33%	6/17/2022	225,000	-	225,000	-
School energy savings project	2.00%	7/15/2022	-	3,600,000	-	3,600,000
Camp Edith Read property acquisition	0.33%	10/14/2022	-	54,436	-	54,436
Athletic complex	3.00%	10/20/2022	-	6,000,000	-	6,000,000
Rail Trail land acquisition	3.00%	10/20/2022	-	700,000	-	700,000
School energy savings project	3.00%	10/20/2022	-	4,000,000	-	4,000,000
School windows and doors	3.00%	10/20/2022	-	573,590	-	573,590
Town Hall/Senior Center land acquisition	3.00%	10/20/2022	-	1,800,000	-	1,800,000
Watershed Improvements	3.00%	10/20/2022	-	225,000	-	225,000
LED Street Lights	0.49%	10/21/2022	-	224,554	-	224,554
School energy savings project	1.50%	12/15/2022	-	2,000,000	-	2,000,000
Septic program interim loan	0.00%	3/21/2023	214,044	31,810	-	245,854
Total Governmental Activities			<u>\$ 1,447,216</u>	<u>\$ 19,209,390</u>	<u>\$ 1,233,172</u>	<u>\$ 19,423,434</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Details related to the short-term debt activity of the business type fund are as follows:

Purpose	Interest Rate	Final Maturity Date	Balance July 1, 2021	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2022
Bond Anticipation Notes:						
Water:						
Well Replacement	0.33%	6/17/2022	\$ 850,000	\$ -	\$ 850,000	\$ -
Well Replacement	3.00%	10/20/2022	-	850,000	-	850,000
Total Business-Type Activities			<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ 850,000</u>

H. Long Term Debt

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

General obligation bonds currently outstanding of the governmental type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2022
Inside Debt:					
Land acquisition-Slattery property	3.66%	11/1/2004	11/1/2022	\$ 400,000	\$ 20,000
School building renovations	3.75%	11/1/2004	11/1/2023	2,100,000	220,000
Land acquisition	3.96%	10/1/2007	10/1/2022	500,000	30,000
Land Acquisition - Newcomb	2.81%	5/15/2014	11/15/2028	475,000	210,000
School HVAC Repairs	2.81%	5/15/2014	5/5/2026	120,000	40,000
School Roof	2.81%	5/15/2014	5/15/2029	548,370	245,000
School Technology - Hardware	2.81%	5/15/2014	5/15/2023	348,750	35,000
Watershed planning	2.45%	12/15/2016	12/15/2028	510,000	285,000
Town Hall repairs	2.45%	12/15/2016	12/15/2026	350,000	175,000
Library Building Remodeling	2.05%	10/15/2019	10/15/2029	385,000	305,000
School Engineering Services	2.05%	10/15/2019	10/15/2028	180,000	140,000
Watershed Plan	2.05%	10/15/2019	10/15/2032	270,000	220,000
Town Hall/Senior Center construction	1.48%	9/15/2021	8/1/2041	4,800,000	4,800,000
Massachusetts Clean Water Trust:					
Lake Winnecunnet sewer project	N/A	11/26/2002	8/1/2022	2,375,687	150,000
Water resource management	N/A	11/26/2002	8/1/2022	334,237	20,000
Total Inside Debt					<u>6,895,000</u>
Outside Debt:					
High school renovations	2.82%	11/15/2011	2/15/2031	6,550,000	3,250,000
High school track/bleachers	2.38%	11/15/2011	2/15/2025	650,000	165,000
School construction	2.81%	5/15/2014	5/15/2034	6,500,000	3,900,000
High school renovations	2.45%	12/15/2016	12/15/2031	650,000	425,000
Dam improvements	2.45%	12/15/2016	12/15/2031	878,000	575,000
Landfill capping	2.45%	12/15/2016	12/15/2026	267,000	125,000
School construction	2.05%	10/15/2019	10/15/2039	3,595,000	3,235,000
Massachusetts Clean Water Trust:					
Title V Septic Loans - Round 3	N/A	8/1/2004	8/1/2023	236,799	23,896
Title V Septic Loans - Round 4	N/A	12/14/2006	7/15/2026	146,244	36,564
Title V Septic Loans - Round 5	N/A	11/15/2006	8/1/2024	184,207	30,064
Title V Septic Loans - Round 6	N/A	11/22/2010	7/15/2029	200,000	84,214
Title V Septic Loans - Round 7	N/A	11/22/2010	7/15/2029	201,502	84,847
Title V Septic Loans - Round 8	N/A	5/22/2013	1/15/2033	165,000	90,750
Title V Septic Loans - Round 9	N/A	1/7/2015	1/15/2035	33,498	21,774
Title V Septic Loans - Round 10	N/A	2/11/2016	1/15/2036	100,000	70,000
Total Outside Debt					<u>12,117,109</u>
Total Bonded Debt					19,012,109
Add: Unamortized premium on bonds					630,978
Total governmental type debt					<u>\$ 19,643,087</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Future Debt Service

The annual principal and interest payments to retire all governmental type fund general obligation long-term debt outstanding as of June 30, 2022, are as follows:

Year	Principal	Interest	Total
2023	\$ 1,910,612	\$ 564,043	\$ 2,474,655
2024	1,645,202	502,556	2,147,758
2025	1,523,255	461,906	1,985,161
2026	1,513,371	407,360	1,920,731
2027	1,463,371	353,013	1,816,384
2028-2032	6,418,023	1,048,462	7,466,485
2033-2037	2,803,275	330,625	3,133,900
2038-2040	1,735,000	78,828	1,813,828
	<u>\$ 19,012,109</u>	<u>\$ 3,746,793</u>	<u>\$ 22,758,902</u>

General obligation bonds currently outstanding of the business-type fund are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Original Amount Issued	Outstanding June 30, 2022
Inside Debt:					
Sewer Fund:					
Sewer Expansion	2.45%	12/15/2016	12/15/2026	\$ 245,000	\$ 120,000
Sewer Expansion	2.05%	10/15/2019	10/15/2034	355,000	305,000
Massachusetts Clean Water Trust:					
Sewer Expansion CW-14-33	2.00%	4/13/2017	1/15/2037	2,924,728	2,306,910
Sewer pumps CWP-18-43	2.00%	5/11/2021	1/15/2041	4,693,231	4,503,385
Total Inside Debt					<u>7,235,295</u>
Outside Debt:					
Water fund:					
Water mains	3.99%	10/1/2007	10/1/2027	3,300,000	990,000
New water tank	3.99%	10/1/2007	10/1/2027	1,700,000	510,000
Water mains	2.05%	10/15/2019	10/15/2034	2,580,000	2,320,000
Water Treatment Plant	2.00%	10/24/2019	7/15/2039	10,300,000	9,457,655
Water mains (Refunding)	1.48%	9/15/2021	8/1/2028	2,435,000	2,435,000
Total Outside Debt					<u>15,712,655</u>
Total Business-type Debt					<u>\$ 22,947,950</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2022, are as follows:

Year	Principal	Interest	Total
2023	\$ 1,535,661	\$ 572,834	\$ 2,108,495
2024	1,552,193	521,652	2,073,845
2025	1,569,083	470,011	2,039,094
2026	1,591,342	417,781	2,009,123
2027	1,603,976	365,153	1,969,129
2028-2032	6,143,085	1,231,283	7,374,368
2033-2037	5,630,084	647,224	6,277,308
2038-2042	3,322,526	124,962	3,447,488
	<u>\$ 22,947,950</u>	<u>\$ 4,350,900</u>	<u>\$ 27,298,850</u>

A summary of the changes in governmental and business-type activities long term debt during the year is as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds	\$ 15,140,000	\$ 4,800,000	\$ 1,540,000	\$ 18,400,000	\$ 1,675,000
Massachusetts Clean					
Water Trust bonds	847,721	-	235,612	612,109	235,612
Add: Unamortized premium on bonds	-	630,978	-	630,978	219,193
Lease payable	634,750	195,551	336,095	494,206	308,965
Compensated absences	2,603,942	20,718	186,921	2,437,739	926,359
Net OPEB liability	96,456,736	-	4,007,381	92,449,355	-
Net pension liability	28,995,900	-	4,274,915	24,720,985	-
Governmental activity					
 Long-term liabilities	<u>\$ 144,679,049</u>	<u>\$ 5,647,247</u>	<u>\$ 10,580,924</u>	<u>\$ 139,745,372</u>	<u>\$ 3,365,129</u>
Business-type activities:					
Bonds Payable:					
General obligation bonds	\$ 7,875,000	\$ 2,435,000	\$ 3,629,940	6,680,060	\$ 775,000
Massachusetts Clean					
Water Trust bonds	17,012,429	-	744,539	16,267,890	760,661
Compensated absences	179,709	27,360	1,619	205,450	89,476
Net OPEB liability	2,138,526	347,622	-	2,486,148	-
Net pension liability	2,329,142	-	343,389	1,985,753	-
Business-type activity					
 Long-term liabilities	<u>\$ 29,534,806</u>	<u>\$ 2,809,982</u>	<u>\$ 4,719,487</u>	<u>\$ 27,625,301</u>	<u>\$ 1,625,137</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Massachusetts Clean Water Trust (MCWT)

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$22,693,622 and interest costs of \$5,522,662 for thirteen loans which the Town has borrowed from MCWT. The gross amount outstanding at June 30, 2022 for principal and interest combined for the loans is \$20,045,514. The net repayments, including interest, are scheduled to be \$19,347,405. Since the Town is legally obligated for the total amount of the debt, such amounts for the gross principal have been recorded on the financial statements. The fiscal year 2022 principal and interest subsidies totaled \$60,164.

Legal Debt Limit

Under Section 10 of Chapter 44 of the Massachusetts General Laws a Town may authorize indebtedness up to a limit of five percent of its equalized valuation of the Town. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The Town's inside debt at June 30, 2022 totaled \$14,130,295.

In addition, the Town is authorized to incur debt outside of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

The following is a computation of the legal debt limit as of June 30, 2022:

Valuation-Real Estate and Personal Property (2022)		<u>\$ 3,164,775,400</u>
Debt Limit: 5 % of Equalized value		158,238,770
Total Debt Outstanding	\$ 41,960,059	
Less: Debt Outside Debt Limit	(27,829,764)	<u>14,130,295</u>
Inside Debt Excess Borrowing Capacity at June 30, 2022		<u>\$ 144,108,475</u>

Loans Authorized and Unissued - Memorandum Only

Under the general laws of the Commonwealth of Massachusetts a Town must authorize debt at a Town meeting. This authorized debt does not have to be actually issued at that time and remains authorized until the debt is actually issued or Town meeting votes to rescind the authorized debt.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Loan authorizations that have not been issued as of June 30, 2022 and are not reflected in the Town's financial statements are as follows:

Date Town Meeting Authorized	Purpose	Amount
5/11/2015	Nourse Elementary School sewer connection	\$ 195,000
12/19/2015	Repair, replacement and upgrading of Septic systems or household connections to Sanitary Sewer System pursuant to Agreements between Board of Health and property owners	754,146
5/14/2018	Norton Elementary School window/door replacement	4,116,971
5/15/2019	Planning, design and construction of West Main Street Water mains	520,000
10/21/2019	LED Street lighting conversion	81,274
6/27/2020	Planning, design and construction of West Main Street Sewer mains	1,100,000
10/17/2020	Water Shed Management	397,380
5/8/2021	New Town Hall	19,341,388
5/8/2021	Senior and Community Support System	8,787,184
5/8/2021	School Athletic Complex	362,000
5/8/2021	Water - Wells 5 & 6 replacement	725,000
5/8/2021	Energy Management Services Contract	2,319,616
		<u>\$ 38,699,959</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

I. Fund Balances

The following is a summary of the Governmental fund balances at the year ended June 30, 2022:

	General Fund	Major Funds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Permanent funds	\$ -	\$ -	\$ 325,850	\$ 325,850
Restricted:				
Federal, state and local grants	-	-	832,358	832,358
School revolving funds	-	-	2,642,271	2,642,271
Revolving funds	-	-	272,192	272,192
Septic loans	-	-	1,040,653	1,040,653
Debt service	-	-	210,904	210,904
Donations and gifts	-	-	457,208	457,208
Permanent funds	-	-	118,420	118,420
Cyrus Hicks fund	-	10,730,566	-	10,730,566
Capital project funds	-	-	5,685,251	5,685,251
Other	-	-	224,594	224,594
	-	10,730,566	11,483,851	22,214,417
Committed:				
Ambulance	-	-	3,862,258	3,862,258
Dog fund	-	-	105,927	105,927
	-	-	3,968,185	3,968,185
Assigned:				
General government	1,883,257	-	-	1,883,257
Public safety	191,970	-	-	191,970
Public works	208,808	-	-	208,808
Education	643,854	-	-	643,854
Health and human services	62,324	-	-	62,324
Culture and recreation	13,604	-	-	13,604
Employee benefits and insurance	190,760	-	-	190,760
Subsequent year's budget	1,280,141	-	-	1,280,141
	4,474,718	-	-	4,474,718
Unassigned:				
General fund	7,591,565	-	-	7,591,565
Capital projects	-	(7,615,919)	(2,132,886)	(9,748,805)
Special revenue funds	-	-	(238,333)	(238,333)
	7,591,565	(7,615,919)	(2,371,219)	(2,395,573)
Total Governmental fund balances	\$ 12,066,283	\$ 3,114,647	\$ 13,406,667	\$ 28,587,597

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

J. Special Trust Funds

Stabilization Fund

Massachusetts General Laws, Chapter 40, Section 5B, allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. Any interest shall be added to and become a part of the fund.

At June 30, 2022 the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$ 2,580,095
Capital improvement stabilization fund	164,721
	<u>\$ 2,744,816</u>

4. OTHER INFORMATION

A. 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. The Town has obtained a variety of commercial liability insurance policies which passes the risk of loss listed above to independent third parties.

Settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Southeastern Massachusetts Health Group

The Town, along with other government entities from the neighboring geographic area, is a member of the Southeastern Massachusetts Health Group (the Group), a public entity risk pool, currently operating as a common risk sharing management and health insurance program for eligible active and former employees of its members.

Payments in the form of insurance premiums, are made monthly to the Group. These payments are funded in part from the Town, recorded as expenditures in the general fund, and payroll withholdings from active employees, or direct payments from retired and certain eligible former employees. The Town pays 70% or 75% of the cost of the insurance for active employees. Retired and other past employees who may be eligible to participate in the plan must pay 25% and 30% of their premium costs.

The Town makes payments to the Group in the form of monthly premiums based upon actual employee enrollment. The Group makes payment, through a third-party administrator for actual health claims incurred for the entire group. At the end of the Group's fiscal year, the Group's insurance consultant will determine if assets are sufficient to meet the anticipated needs of the ensuing year. It is anticipated that if claim liabilities exceed assets, premium rates will be adjusted prospectively to recover the necessary assets to meet claims.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

B. Contingent Liabilities

Litigation

Litigation is subject to many uncertainties, and the outcome of individual matters is not always predictable. Although the amount of the liability, if any, at June 30, 2022, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2022.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, Town management believes such disallowances, if any, will not be material.

C. Tax Abatements

The Town enters into property tax abatement agreements with local businesses under the Commonwealth of Massachusetts Economic Development Incentive Program Act of 1993 and as amended in 2009. Under this Act, state municipalities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining these businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town of Norton. As of June 30, 2022, the Town of Norton abated property taxes amounting to \$633,671 under seven tax abatement agreements. The Town has not made any commitments as part of the agreements other than to reduce taxes.

D. Subsequent Events

In July of 2022, the Town received \$3.6 million in note proceeds with an interest rate of 3.0% to finance the school energy project. The principal and interest payments will be due October 2022.

E. Pension Plan

Plan Description

The Town is a member of the Bristol County Contributory Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system administered by the Bristol County Retirement Board (the Board). Massachusetts General Laws (MGL), Chapter 32, assigns authority to establish the System and amend benefit provisions of the plan; which is regulated by the Public Employees Retirement Administration Commission (PERAC). The System is a defined benefit pension plan that covers substantially all employees of its member employers except for current and retired teachers. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System at 645 County Street, Taunton, Massachusetts 02780.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan, to which the Town does not contribute. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for the contributions and future benefit requirements of the MTRS.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Special Funding Situation

The Commonwealth is a nonemployer contributor and is responsible by statute to make all actuarially determined contributions and future benefit requirements on behalf of the Town to the MTRS. 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 contributor in the MTRS. Since the Town does not contribute directly to MTRS, there is no pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based upon each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2021. The Town's portion of the collective pension expense contributed by the Commonwealth of \$4,849,609 on-behalf payments for the fiscal year ending June 30, 2022 is reported as intergovernmental revenues and insurance and employee benefit expenditures in the General Fund.

Benefits Provided

Both the System and MTRS provide retirement, disability, and death benefits to plan members and beneficiaries. Members become vested after 10 years of creditable service and are eligible for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Retirement benefits are determined as a percentage of the member's final three-year (five-year for members hired on or after April 2, 2012) final average compensation times the member's years of creditable service prior to retirement. The percentage is based on the age of the member at retirement and his or her Group classification. The authority for amending these provisions rests with the Massachusetts Legislature.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost of living adjustments granted between 1981 and 1997 and any increases 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.

Contributions

MGL Chapter 32 governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 9% based upon their membership date with an additional 2% contribution after exceeding \$30,000 in annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The Town's proportionate share of the required contribution to the System for the year ended December 31, 2021 was \$3,365,604, representing 23.37% of the covered payroll, an actuarially determined amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year and an additional amount to finance any unfunded accrued liability.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Pension Liability

As of June 30, 2022, the Town reported a liability of \$26,706,738 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Accordingly, update procedures were used to roll back the total pension liability to the measurement date. 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, actuarially determined. At December 31, 2021, the Town's proportional percentage was 7.176%, which was a slight decrease from the last measurement.

Pension Expense

For the year ended June 30, 2022, the Town recognized a pension expense of \$3,863,384; and reported deferred outflows of resources related to pensions of \$6,668,430 from the differences between actual and expected experience, the changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions; and deferred inflows of resources related to pensions of \$6,079,898 from the net difference between projected and actual investment earnings on pension plan investments and the changes in proportion and differences between employer contributions and proportionate share of contributions.

The Town's net deferred outflows/(inflows) of resources related to pensions will be recognized in the pension expense as follows:

For years ended June 30,	
2023	\$ 1,497,810
2024	387,115
2025	(512,095)
2026	(801,396)
2027	17,098
	<u>\$ 588,532</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2021:

Valuation date	January 1, 2022
Actuarial cost method	Individual Entry Age Normal Cost Method
Asset valuation method	Five-year asset smoothing method which recognizes Gains and losses over a five-year period.
Investment rate of return	7.35% annually
Projected salary increases	3.00% annually
Cost of living adjustments	3.00% on first \$18,000 of benefits per year.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Mortality rates

Rates reflect the RP-2014 table adjusted to 2006 and projected generationally with MP-2021 (gender distinct)
During employment the Healthy Employee Mortality Table is used.
Post-employment, the Healthy Annuitant Table is used.
For disabled retirees, mortality follows the same table as non-disabled retirees, set forward two years. Death is assumed to be due to the same cause as disability 40% of the time.

Long-term Expected Rate of Return

The long-term expected real rate of return on System investments was determined using a building-block method in which best-estimate ranges of expected future 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 arithmetic real rates of return for each major class included in the System's target allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.0%	4.7%
International Equity	11.0%	4.9%
Emerging Markets Equity	11.0%	5.7%
Global REITs	2.0%	3.8%
Core Fixed Income	5.0%	0.3%
High Yield fixed income	3.0%	2.2%
Emerging Market fixed income	4.0%	2.2%
Global Fixed Income	3.0%	0.2%
Private Equity	12.0%	7.7%
Hedge Funds	4.0%	2.5%
Real Estate	11.0%	3.0%
Timber	3.0%	3.3%
Farmland	3.0%	4.9%
Infrastructure	6.0%	4.9%
Total	100.0%	

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 15.50%. The money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.35%. 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 employer contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.35%. 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 (6.35%) or 1-percentage-point higher (8.35%) than the current rate:

	1% Decrease (6.35%)	Current Discount Rate (7.35%)	1% Increase (8.35%)
Town's net pension liability	\$ 37,449,985	\$ 26,706,738	\$ 17,638,977

F. Other Post-Employment Benefits Payable

GASB Statement No. 74 and GASB Statement No. 75

The cost of post-employment benefits generally should be associated with the periods in which costs occur rather than in the future year when it will be paid. The Town recognizes the cost of post-employment benefits in the year when the employee services are received, reports the accumulated liability from prior years and provides information useful in assessing potential demands on the Town's future cash flows.

Plan Description

In addition to providing pension benefits, the Town provides post-employment health care and life insurance benefits for retired employees, their dependents and beneficiaries. The benefits, benefit levels, employee and employer contributions are governed by Massachusetts General Law chapter 32. There are approximately 967 active, retired employees and beneficiaries that meet the eligibility requirements. The plan does not issue a separate financial report.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Investment Policy

The OPEB Trust fund does not have a formal investment policy. As of June 30, 2022, investments, concentration and rate of return information consisted of pooled funds in the Town's Bartholomew Commonwealth Financial investments described earlier under Deposits and Investments (refer to note 3A).

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The required contribution is based on the projected pay-as-you-go financing requirements. The Town contributes 70% to 75% of the cost of current year premiums for eligible retired plan members and their survivors. For the period ending on the June 30, 2022 Measurement Date, the Town premiums plus implicit costs for the retiree medical program were \$2,761,299. The Town also made a contribution to an OPEB Trust of \$110,000 for a total contribution during the measurement period of \$2,871,299. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. The trust balance is \$862,173 as of June 30, 2022.

Measurement Date

GASB Statement No. 74 and GASB Statement No. 75 require the net OPEB liability to be measured as of the OPEB Plan's most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Plan Membership:

Current active members	481
Current retirees, beneficiaries and dependents	486
Total	<u>967</u>

Net OPEB Liability

The components of the net OPEB liability are as follows:

	<u>6/30/2022</u>
Total OPEB liability	95,797,676
Less: Plan fiduciary net position	<u>(862,173)</u>
Town's Net OPEB liability	<u><u>\$ 94,935,503</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.90%

Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement for the reporting date of June 30, 2022:

Valuation date	Actuarially determined contribution was calculated as of July 1, 2021
Actuarial cost method	Individual Entry Age Normal

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Asset valuation method	Market value of assets as of the measurement date.
Investment rate of return	5.68% annually, net of OPEB plan investment expense, Including inflation
Single Equivalent Discount rate	4.92%, net of OPEB plan investment expense, Including inflation
Inflation rate	2.50% as of June 30, 2022 and for future periods
Participant salary increases	3.00% as of June 30, 2022 and for future periods
Healthcare cost trend rates	9.00% initially in 2021 trending down to 3.63% in 2060+
Mortality rates	
Pre-retirement mortality (General)	RP-2014 Mortality Table for Blue Collar Employees, projected generationally with Scale MP-2016 for males and females, set forward one year for females.
Post-retirement mortality (General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants, projected generationally with Scale MP-2016 for males and females, set forward one year for females.
Disabled mortality (General)	RP-2014 Mortality Table for Blue Collar Healthy Annuitants, projected generationally with Scale MP-2016 for males and females, set forward one year for females.
Pre-retirement mortality (Teachers)	RP-2014 Mortality Table for White Collar Employees, projected generationally with Scale MP-2016 for males and females.
Post-retirement mortality (Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants, projected generationally with Scale MP-2016 for males and females.
Disabled mortality (Teachers)	RP-2014 Mortality Table for White Collar Healthy Annuitants, projected generationally with Scale MP-2016 for males and females.

The actuarial assumptions used in the July 1, 2021 valuation were reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Rate Index as of June 30, 2022 is 4.09%.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was (14.89%).

Discount Rate

The discount rate used to measure the total OPEB liability was 4.92%. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town's funding policy. Based on these assumptions, the OPEB Plan's Fiduciary Net Position is projected to be insufficient to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB Plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover and the Municipal Bond Rate is applied thereafter.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments is developed based on the Town's investment policy is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity - Large Cap	23.00%	4.42%
Domestic Equity - Small/Mid Cap	13.25%	4.81%
International Equity - Developed Market	11.25%	4.91%
International Equity - Emerging Market	6.25%	5.58%
Domestic Fixed Income	31.75%	1.00%
International Fixed Income	5.75%	1.04%
Alternatives	8.25%	5.98%
Real Estate	0.00%	6.25%
Cash	0.50%	0.00%
Total	100.00%	
I. Real Rate of Return		3.43%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		5.93%
IV. Less: Investment Expense		0.25%
V. Net investment Return (III.-IV.)		5.68%

* = Mean Geometric Returns based on 2021 Horizon Survey of Capital Market Assumptions.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2021	\$ 99,490,564	\$ 895,302	\$ 98,595,262
Service cost	3,296,733	-	3,296,733
Interest on Total OPEB Liability	2,788,940	-	2,788,940
Changes in benefit terms *	-	-	-
Changes in assumptions **	(12,505,556)	-	(12,505,556)
Difference between actual and expected experience **	5,488,294	-	5,488,294
Net investment income	-	(143,129)	143,129
Employer contributions to Trust	-	2,871,299	(2,871,299)
Total benefit payments including implicit cost	(2,761,299)	(2,761,299)	-
Net change in total OPEB liability	(3,692,888)	(33,129)	(3,659,759)
Balances at June 30, 2022	\$ 95,797,676	\$ 862,173	\$ 94,935,503

* = Recognized immediately

** = Amortized over 6.11 years

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

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.92%) or 1-percentage-point higher (5.92%) than the current rate:

	1% Decrease (3.92%)	Current Discount Rate (4.92%)	1% Increase (5.92%)
Town's net OPEB liability	\$ 110,780,166	\$ 94,935,503	\$ 82,345,644

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the Town's net OPEB liability as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Town's net OPEB liability	\$ 81,226,678	\$ 94,935,503	\$ 112,420,691

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year, which are reported at cost.

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

For the year ended June 30, 2022, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$6,209,099 and reported deferred outflows of resources related to OPEB of \$16,687,751 from the differences between actual and expected experience, changes in assumptions and the net difference between projected and actual earnings on OPEB plan investments; and deferred inflows of resources related to OPEB of \$11,462,058 from the differences between actual and expected experience and the changes in assumptions.

The Town's net deferred outflows/(inflows) of resources related to OPEB will be recognized in the OPEB expense as follows:

For years ended June 30,		
2023	\$	2,711,114
2024		1,858,764
2025		1,369,118
2026		334,693
Thereafter:		(1,047,996)
	\$	5,225,693

G. Implementation of New GASB Pronouncements

The GASB issued Statement No. 87, *Leases*, for implementation in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, for implementation in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, for implementation in fiscal 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, for implementation in fiscal year 2021 and 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, for implementation in fiscal year 2022. The adoption of this standard did not have a material impact on the Town's financial statements.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2022

H. Future GASB Pronouncements

Management is currently assessing the impact the implementation of the following pronouncements will have on the basic financial statements.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023.

The GASB issued Statement No. 99, *Omnibus 2022*, clarification on GASB No. 34 Management's Discussion and Analysis; on GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position; requirements related to leases and requirements related to derivative instruments for implementation in fiscal year 2023 and 2024.

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB No. 62*, for implementation in fiscal year 2024.

The GASB issued Statement No. 101, *Compensated Absences*, for implementation in fiscal year 2025.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NORTON, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Bristol County Contributory Retirement System
For the Year Ended June 30, 2022

The Schedule of Proportionate Share of the Net Pension Liability represents multiyear trend information relating to the Town's proportion of the net pension liability and related ratios.

Schedule of the Town's Proportionate Share of the Net pension Liability:

Measurement Date	Town's proportion of the net pension liability (asset)	Town's proportionate share of the net pension liability (asset)	Town's covered employee payroll	Net pension liability percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2021	7.176%	\$ 26,706,738	\$ 14,401,168	185.45%	71.60%
12/31/2020	7.180%	\$ 31,325,042	\$ 13,744,191	227.91%	65.24%
12/31/2019	7.260%	\$ 34,215,571	\$ 13,082,140	261.54%	61.25%
12/31/2018	6.919%	\$ 25,666,887	\$ 12,314,219	208.43%	63.48%
12/31/2017	6.909%	\$ 21,558,443	\$ 12,539,421	171.93%	68.56%
12/31/2016	6.909%	\$ 23,065,864	\$ 12,083,846	190.88%	64.17%
12/31/2015	6.909%	\$ 23,244,309	\$ 11,589,091	200.57%	62.95%
12/31/2014	7.113%	\$ 20,323,407	\$ 10,091,715	201.39%	67.10%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF NORTON, MASSACHUSETTS
Required Supplementary Information
Pension Plan Schedules
Bristol County Contributory Retirement System
For the Year Ended June 30, 2022

The Schedule of the Employer Contributions presents multiyear trend information on the Town's required and actual payments to the pension plan and related ratios.

Schedule of the Town's Contributions:

Measurement Date	Actuarially determined contribution	Less: Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Town's covered employee payroll	Contributions percentage of covered employee payroll
12/31/2021	\$ 3,365,604	\$ (3,365,604)	\$ -	\$ 14,401,168	23.37%
12/31/2020	\$ 3,125,329	\$ (3,127,871)	\$ (2,542)	\$ 13,744,191	22.74%
12/31/2019	\$ 2,936,745	\$ (2,939,242)	\$ (2,497)	\$ 13,082,140	22.45%
12/31/2018	\$ 2,710,522	\$ (2,710,522)	\$ -	\$ 12,314,219	22.01%
12/31/2017	\$ 2,601,305	\$ (2,601,305)	\$ -	\$ 12,539,421	20.75%
12/31/2016	\$ 2,595,139	\$ (2,595,139)	\$ -	\$ 12,083,846	21.48%
12/31/2015	\$ 2,201,176	\$ (2,201,176)	\$ -	\$ 11,589,091	18.99%
12/31/2014	\$ 2,084,055	\$ (2,084,055)	\$ -	\$ 10,091,715	20.65%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF NORTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability					
Service cost	\$ 3,296,733	\$ 2,779,823	\$ 2,696,277	\$ 2,527,204	\$ 2,387,415
Interest on net OPEB liability	2,788,940	2,940,616	2,585,726	2,656,499	2,263,117
Changes in Benefit terms	-	-	-	-	-
Changes in Assumptions	(12,505,556)	7,389,578	10,049,801	5,643,141	-
Difference between actual and expected experience	5,488,294	-	(1,946,716)	-	3,558,805
Employer contributions to Trust	-	-	-	-	-
Benefit payments, including refunds of member contributions	(2,761,299)	(2,619,273)	(2,479,749)	(2,071,229)	(1,759,835)
Net change in total OPEB liability	(3,692,888)	10,490,744	10,905,339	8,755,615	6,449,502
Prior period adjustments	-	-	-	(256,050)	611,648
Total OPEB liability-beginning	99,490,564	88,999,820	78,094,481	69,594,916	62,533,766
Total OPEB liability-ending (a)	<u>\$ 95,797,676</u>	<u>\$ 99,490,564</u>	<u>\$ 88,999,820</u>	<u>\$ 78,094,481</u>	<u>\$ 69,594,916</u>
Plan fiduciary net position					
Net investment income	\$ (143,129)	\$ 172,193	\$ 13,881	\$ 30,801	\$ 20,627
Employer contributions to Trust	2,871,299	2,719,273	2,574,749	2,161,229	1,839,835
Benefit payments, including refunds of member contributions	(2,761,299)	(2,619,273)	(2,479,749)	(2,071,229)	(1,759,835)
Net change in plan fiduciary net position	(33,129)	272,193	108,881	120,801	100,627
Prior period adjustments	-	-	-	101,815	-
Total fiduciary net position-beginning	895,302	623,109	514,228	291,612	190,985
Total fiduciary net position-ending (b)	<u>\$ 862,173</u>	<u>\$ 895,302</u>	<u>\$ 623,109</u>	<u>\$ 514,228</u>	<u>\$ 291,612</u>
Town's net OPEB liability (a-b)	<u>\$ 94,935,503</u>	<u>\$ 98,595,262</u>	<u>\$ 88,376,711</u>	<u>\$ 77,580,253</u>	<u>\$ 69,303,304</u>

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF NORTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Net OPEB Liability:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability	\$ 95,797,676	99,490,564	\$ 88,999,820	\$ 78,094,481	\$ 69,594,916
Less: Plan fiduciary net position	<u>(862,173)</u>	<u>(895,302)</u>	<u>(623,109)</u>	<u>(514,228)</u>	<u>(291,612)</u>
Town's Net OPEB liability	<u><u>\$ 94,935,503</u></u>	<u><u>\$ 98,595,262</u></u>	<u><u>\$ 88,376,711</u></u>	<u><u>\$ 77,580,253</u></u>	<u><u>\$ 69,303,304</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.90%	0.90%	0.70%	0.66%	0.42%
Town's share of covered employee payroll	\$ 37,235,815	\$ 33,323,631	\$ 32,353,040	\$ 31,198,445	\$ 30,289,752
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	254.96%	295.87%	273.16%	248.67%	228.80%

Schedule of Contributions:

	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 7,380,658	\$ 5,951,840	\$ 7,205,562	\$ 6,485,617	\$ 5,615,319
Less: Contributions in relation to the actuarially determined contribution	<u>(2,871,299)</u>	<u>(2,719,273)</u>	<u>(2,574,749)</u>	<u>(2,161,229)</u>	<u>(2,140,896)</u>
Contribution deficiency (excess)	<u><u>\$ 4,509,359</u></u>	<u><u>\$ 3,232,567</u></u>	<u><u>\$ 4,630,813</u></u>	<u><u>\$ 4,324,388</u></u>	<u><u>\$ 3,474,423</u></u>
Town's share of covered employee payroll	\$ 37,235,815	\$ 33,323,631	\$ 32,353,040	\$ 31,198,445	\$ 30,289,752
Contributions percentage of covered-employee payroll	7.71%	8.16%	7.96%	6.93%	7.07%
Annual money-weighted rate of return net of investment expense	-14.89%	26.01%	2.47%	6.92%	4.74%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

TOWN OF NORTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2022

Schedule of Funding Progress:

Other Post Employment Benefits						
Measurement Date	Actuarial Fiduciary Net Position (A)	Actuarial Total OPEB Liability (B)	Actuarial Net OPEB Liability (B-A)	Actuarial Funded Ratio (A/B)	Actuarial Covered Payroll (C)	Actuarial Percentage of Covered Payroll ((B-A)/C)
6/30/2022	\$ 862,173	\$ 95,797,676	\$ 94,935,503	0.90%	\$ 37,235,815	254.96%
6/30/2021	\$ 895,302	\$ 99,490,564	\$ 98,595,262	0.90%	\$ 33,323,631	295.87%
6/30/2020	\$ 623,109	\$ 88,999,820	\$ 88,376,711	0.70%	\$ 32,353,040	273.16%
6/30/2019	\$ 514,228	\$ 78,094,481	\$ 77,580,253	0.66%	\$ 31,198,445	248.67%
6/30/2018	\$ 291,612	\$ 69,594,916	\$ 69,303,304	0.42%	\$ 30,289,752	228.80%

Note: These schedules are intended to present information for 10 years. Until a 10-year trend is compiled, the information is presented for those years the information is available.

SUPPLEMENTARY SCHEDULE

TOWN OF NORTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Special Revenue:					
Federal and State Grants:					
School Grants	\$ 130,259	\$ 2,195,376	\$ 2,306,804	\$ (13)	\$ 18,818
American Rescue Plan Act Grant	-	160,534	160,100	-	434
Arts Lottery Council Grant	20,278	13,426	15,135	-	18,569
Conservation Grants	3,754	834	(1,517)	-	6,105
Council on Aging Grants	818	75,680	61,455	1	15,044
Emergency Management Grants	(475,167)	589,128	97,322	-	16,639
Extended Polling Hours	6,488	-	2,495	-	3,993
Green Community Grant	-	43,330	-	-	43,330
Highway Grants	26,294	239,878	239,870	-	26,302
Library Grants	-	35,265	35,265	-	-
Other Grants and Programs	-	24,963	11,929	-	13,034
Planning Grants	2,038	10,926	3,686	-	9,278
Public Safety Grants	31,809	377,166	377,111	-	31,864
Schools:					
School Lunch Program	141,749	1,437,787	1,091,016	-	488,520
School Lunch Commodities	-	103,904	103,904	-	-
School Choice	1,272,232	1,223,668	1,054,842	-	1,441,058
School Revolving Accounts	389,029	873,948	723,460	-	539,517
School Student Activity Funds	132,070	177,808	136,703	-	173,175
State Special Education Reimbursement	681,611	1,028,710	1,082,843	-	627,478
Other:					
Ambulance Fund	3,083,587	1,519,510	-	(740,839)	3,862,258
Camp Edith	682	300	-	-	982
Clean Energy Choice Grant	1,470	-	-	-	1,470
Compost Bin Recycling Bin Revolving	1,496	-	-	-	1,496
CTCL Elections Grant	73	-	-	-	73
Special Revenue Funds Page 76	\$ 5,450,570	\$ 10,132,141	\$ 7,502,423	\$ (740,851)	\$ 7,339,437

TOWN OF NORTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Continued from Page 76	\$ 5,450,570	\$ 10,132,141	\$ 7,502,423	\$ (740,851)	\$ 7,339,437
Other (continued):					
Conservation Outside Consultant Fees	10,627	24,300	21,492	-	13,435
Conservation Bond Release	40	-	-	-	40
Council on Aging Revolving	9,599	6,277	7,943	-	7,933
Deputy Collector Fees	858	38,458	38,963	-	353
Dog Funds	106,433	11,277	-	(10,000)	107,710
Forestry Revolving	1,412	-	-	-	1,412
Gifts and Donations	400,225	137,609	80,626	-	457,208
Hazardous Materials Revolving	-	10,000	4,246	-	5,754
Insurance Reimbursement	33,554	248,331	85,055	(2,138)	194,692
Jackson Property Fees	41,309	3,066	-	-	44,375
Law Enforcement Fund	38,331	2,347	8,152	-	32,526
Parks and Recreation Revolving	30,145	17,740	13,141	-	34,744
Planning Board Review Fund	77,851	48,001	31,145	-	94,707
Police Restitution	75	-	-	-	75
Premium on Sale of Bonds	172,045	-	121,359	160,218	210,904
Public Safety Outside Detail Funds	-	661,561	661,561	-	-
Recycling Revolving	3,636	10,008	7,720	-	5,924
Septic Program Funds	738,323	130,807	31,810	(35,000)	802,320
Transportation Network Surcharge	6,879	1,814	-	-	8,693
Wetlands Protection Fund	15,451	14,090	8,271	(3,000)	18,270
Zoning Board of Appeals Outside Consultant Fees	8,446	13	-	-	8,459
Conservation Fund	2,018	1	-	-	2,019
Sale of Pines Fund	18,572	5	-	-	18,577
War Memorial Fund	466	-	-	-	466
Total Special Revenue Funds	\$ 7,166,865	\$ 11,497,846	\$ 8,623,907	\$ (630,771)	\$ 9,410,033

TOWN OF NORTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Fund Balances July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2022
Capital Projects:					
Camp Edith Read property acquisition	\$ (108,872)	\$ -	\$ -	\$ 54,436	\$ (54,436)
Dam improvements	54,710	-	-	-	54,710
Departmental equipment and vehicles	-	-	195,951	195,951	-
LED Street Lights	(227,212)	-	1,989	74,746	(154,455)
New Town Hall construction	-	-	514,060	3,948,612	3,434,552
Norton Rail Trail	90,347	-	72,553	-	17,794
Other projects	25,030	-	-	-	25,030
Other Schools' projects	13,304	-	-	-	13,304
Senior/Community Center	-	-	202,486	2,322,816	2,120,330
Town Hall improvements	125,805	-	106,275	-	19,530
Town Hall/Senior Center property acquisition	-	-	1,800,000	-	(1,800,000)
Water Shed plan	8,760	-	132,755	-	(123,995)
Total Capital Projects Fund	(18,128)	-	3,026,069	6,596,561	3,552,364
Perpetual Permanent Funds:					
Cemetery Funds	299,100	14,750	-	-	313,850
Library Fund	2,000	-	-	-	2,000
Wetherell Athletic Fund	10,000	-	-	-	10,000
Total Perpetual Permanent Funds	311,100	14,750	-	-	325,850
Permanent Funds:					
Cemetery Funds	121,437	92	3,380	-	118,149
Library Fund	4	3	-	-	7
Wetherell Athletic Fund	261	3	-	-	264
Total Permanent Funds	121,702	98	3,380	-	118,420
Total - Non-Major Governmental Funds	\$ 7,581,539	\$ 11,512,694	\$ 11,653,356	\$ 5,965,790	\$ 13,406,667