

TOWN OF NORTON, MASSACHUSETTS
Report on the Examination of Basic Financial Statements
For the Year Ended June 30, 2023

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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, 2023, 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, 2023, 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 judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town 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 14, 2024, 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 14, 2024

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, 2023. 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 \$7,099,642 (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 \$3,155,609, or a decrease of \$3,944,033 (125%).
- At the close of the current fiscal year, the Town's governmental funds reported total ending fund balance of \$45,521,083, an increase of \$16,933,486 (59%) (primarily due to the issuance of bonds for \$24,295,000) in comparison with the prior year.
- The General Fund's total fund balance increased \$2,744,348 (23%) to \$14,810,631. The ending General fund balance is 19.5% of revenues and transfers in; and 20.2% of expenditures and transfers out.
- The total liabilities of the Town increased by \$20,147,200 (11%) to \$211,726,418 during the fiscal year. This was mainly attributed to net increases in unearned revenue of \$3,228,740, in bonds payable of \$21,959,413, in the other post-employment benefit (OPEB) liability of \$2,699,504 and in the pension liability of \$10,844,481; and decreases in warrants and accounts payable of \$919,155 and in bond anticipation notes payable of \$17,723,387.
- The Town had General Fund free cash certified by the Department of Revenue in the amount of \$4,928,970. The key factors that attributed to the free cash amount for fiscal year 2023 were unexpended/unencumbered appropriations of \$2,057,500 and excess over budget state and local receipts of \$3,329,100.
- The Town's enterprise funds certified free cash are as follows:
 - Sewer fund \$ 2,979,799.
 - Water fund \$ 3,130,047.

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		
	2023	2022	Change
Assets:			
Current assets	\$ 55,142,608	\$ 54,466,552	\$ 676,056
Noncurrent assets (excluding capital assets)	155,003	171,497	(16,494)
Capital assets	85,716,691	75,793,432	9,923,259
Total assets	141,014,302	130,431,481	10,582,821
Deferred Outflows of Resources	19,665,755	22,423,341	(2,757,586)
Liabilities:			
Current liabilities (excluding debt and leases)	8,040,538	4,531,999	3,508,539
Current debt including leases	3,169,835	21,862,204	(18,692,369)
Noncurrent liabilities (excluding debt and leases)	131,132,585	118,681,720	12,450,865
Noncurrent debt including leases	40,357,253	17,698,923	22,658,330
Total liabilities	182,700,211	162,774,846	19,925,365
Deferred Inflows of Resources	9,835,520	16,789,725	(6,954,205)
Net Position:			
Net investment in Capital assets	41,842,702	46,738,776	(4,896,074)
Restricted	26,967,875	22,701,284	4,266,591
Unrestricted	(100,666,251)	(96,149,809)	(4,516,442)
Total net position	\$ (31,855,674)	\$ (26,709,749)	\$ (5,145,925)
Business-Type Activities			
	2023	2022	Change
Assets:			
Current assets	\$ 13,561,604	\$ 13,019,278	\$ 542,326
Noncurrent assets (excluding capital assets)	999,700	1,109,500	(109,800)
Capital assets	38,485,387	38,049,125	436,262
Total assets	53,046,691	52,177,903	868,788
Deferred Outflows of Resources	1,016,450	932,840	83,610
Liabilities:			
Current liabilities (excluding debt)	2,088,959	418,547	1,670,412
Current debt	1,548,036	2,385,661	(837,625)
Noncurrent liabilities (excluding debt)	5,615,349	4,587,875	1,027,474
Noncurrent debt	19,773,863	21,412,289	(1,638,426)
Total liabilities	29,026,207	28,804,372	221,835
Deferred Inflows of Resources	280,902	752,231	(471,329)
Net Position:			
Net Investment in Capital Assets	15,588,488	14,251,175	1,337,313
Restricted	3,370,926	3,835,747	(464,821)
Unrestricted	5,796,618	5,467,218	329,400
Total net position	\$ 24,756,032	\$ 23,554,140	\$ 1,201,892

Statement of Activities Highlights

	Governmental Activities		
	2023	2022	Change
Program Revenues:			
Charges for services	\$ 6,403,328	\$ 5,192,831	\$ 1,210,497
Operating grants and contributions	27,783,818	26,084,877	1,698,941
Capital grants and contributions	955,632	556,641	398,991
General Revenues:			
Property taxes	45,207,118	42,752,466	2,454,652
Motor vehicle excise and other taxes	3,010,518	3,158,866	(148,348)
Hotel room occupancy and meals taxes	456,403	343,044	113,359
Penalties and interest on taxes	266,490	244,516	21,974
Nonrestricted grants	2,767,106	2,401,447	365,659
Unrestricted investment income	1,583,440	653,880	929,560
Miscellaneous	6,505	7,945	(1,440)
Total revenues	88,440,358	81,396,513	7,043,845
Expenses:			
General government	3,382,969	3,310,203	72,766
Public safety	11,669,299	10,505,786	1,163,513
Public works	2,223,662	2,185,007	38,655
Education	45,515,090	42,705,513	2,809,577
Health and human services	717,598	726,641	(9,043)
Culture and recreation	1,148,017	653,822	494,195
Employee benefits and insurance	26,108,846	23,593,829	2,515,017
State assessments	1,881,972	1,777,672	104,300
Interest	1,231,188	678,381	552,807
Total expenses	93,878,641	86,136,854	7,741,787
Contributions to permanent funds	16,600	14,750	1,850
Transfers	275,758	522,476	(246,718)
Change in net position	(5,145,925)	(4,203,115)	(942,810)
Net position - beginning of year	(26,709,749)	(22,506,634)	(4,203,115)
Net position - end of year	\$ (31,855,674)	\$ (26,709,749)	(5,145,925)

	Business-Type Activities		
	2023	2022	Change
Program Revenues:			
Charges for services	\$ 7,168,574	\$ 7,450,779	\$ (282,205)
Operating grants and contributions	216,134	15,496	200,638
Capital grants and contributions	20,000	1,589,580	(1,569,580)
Total revenues	7,404,708	9,055,855	(1,651,147)
Expenses:			
Sewer	2,069,905	2,089,676	(19,771)
Water	3,857,153	3,351,343	505,810
Total expenses	5,927,058	5,441,019	486,039
Transfers	(275,758)	(522,476)	246,718
Change in net position	1,201,892	3,092,360	(1,890,468)
Net position - beginning of year	23,554,140	20,461,780	3,092,360
Net position - end of year	\$ 24,756,032	\$ 23,554,140	\$ 1,201,892

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 \$7,099,642 at the close of fiscal year 2023.

Net position of \$57,431,190 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, \$30,338,801, represents resources that are subject to external restrictions on how they may be used. The remaining balance consists of *unrestricted net position* (\$94,869,633).

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 \$5,145,925 (19%) during the current fiscal year. The key elements of the decrease in net position for fiscal year 2023 was attributed to the acquisition of \$13,700,974 in new capital assets exceeding the depreciation expense (normally spread out over the useful life of the asset) for the year of \$3,777,715, and to increases as a result of recognizing the net changes in governmental funds of \$16,933,486 and in the deferred outflows/(inflows) of resources related to pensions of \$7,538,726; and decreases resulting from the net changes in debt and leases payable of \$23,389,395, in the deferred outflows/(inflows) of resources related to OPEB of \$3,342,107 in the OPEB liability of \$2,628,124 and in the pension liability of \$9,882,652 as compared to the prior year.

There was an increase of \$1,201,892 (5%) in net position reported in connection with the sewer and water business-type activities. Of this, there were increases of \$334,905 attributed to the sewer department and of \$866,987 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 \$45,521,083, an increase of \$16,933,486 (59%) in comparison with the prior year.

Breakdown of the governmental funds are as follows:

- Nonspendable fund balance – \$342,450 (1%).
- Restricted fund balance – \$25,609,899 (56%).
- Committed fund balance – \$4,845,749 (11%).
- Assigned fund balance – \$5,877,637 (13%).
- Unassigned fund balance – \$8,845,348 (19%).

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 \$14,810,631, increasing \$2,744,348 (23%) from the prior year. Of the \$14,810,631, the unassigned amount is \$8,932,994 (60%) and the assigned amount is \$5,877,637 (40%). General fund revenues were \$5,355,340 (8%) more than the prior fiscal year and expenditures also increased by \$2,633,391 (4%). Other activity in the General Fund consisted of net transfers in from other funds of \$1,618,899.

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 \$2,228,535 (5%); in licenses, permits and fees of \$662,075 (39%) in investment income of \$953,322 (6904%) and in intergovernmental "on-behalf" payments of \$954,389 (19%).

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

- Increase in Public safety expenditures of \$517,197 (6%).
- Increase in Education expenditures of \$704,175 (2%).
- Increase in Employee benefits and insurance of \$332,554 (2%).
- Increase in Debt service (principal and interest) of \$979,983 (40%).

The *Cyrus Hicks fund* is the accumulation of resources over many years and has a balance of \$10,965,502 at the end of the fiscal year increasing by \$234,936 (2%). This amount was attributed to interest of \$643,926, expenses of \$5,625 and transfers out to other funds of \$403,365.

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 balances totaling \$609,411 at the end of the fiscal year, increasing by \$8,225,330 during the year. This increase is attributed to expenditures of \$10,056,262 and the proceeds from the premiums and on the issuance of debt of \$18,281,592. The Town has also issued a bond anticipation note of \$573,590 which is not reflected in the balance.

The *American Rescue Plan Act (ARPA) Grant* is a United States Federal Government established funding source to assist in the fighting of the coronavirus. The activity in the Grant were receipts of \$760,602, expenses of \$477,505 and transfers out to other funds of \$283,097. The Town has an accumulated unearned revenue of \$4,132,726 which will be used at a later date.

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 \$10,138,958 used in the financing and operations of the Town's sewer system. The sewer fund shows an increase of \$334,905 (3%) in total operations. This change was mainly attributed to operating revenues exceeding operating expenses by \$168,019, interest income of \$102,207, special assessments and intergovernmental income of \$49,445, interest expense of \$156,095 and net transfers in from governmental funds of \$171,329. Operating revenues decreased by \$576,138 (22%) and operating expenses also decreased by \$15,344 (1%) from the prior year.

The *Water Fund* has accumulated a fund balance of \$14,617,074 used in the financing and operations of the Town's water system. The water fund shows an increase of \$866,987 (6%) in total operations. This change resulted from operating revenues exceeding operating expenses by \$1,679,001, interest income of \$113,927, interest expense of \$478,854 and net transfers out to governmental funds of \$447,087. Operating revenues increased by \$264,488 (6%) and operating expenses also increased by \$110,913 (3%) from the prior year.

General Fund Budgetary Highlights

The final general fund budget for fiscal year 2023 was \$72,423,718. This was an increase of \$2,321,349 (3%) over the previous year's budget.

There was an increase of \$1,558,705 between the original budget and the total final amended budget. The change is attributed to votes made at the Special Town Meetings in October 2022 and May 2023 for various budget operating line items.

General fund expenditures were less than budgeted by \$5,089,707. Of the \$5,089,707 in under budget expenditures, \$3,032,215 has been carried over to fiscal year 2024.

There was a negative variance in property taxes of \$319,972 as expectations (budget) were higher than the receipts.

Overall, the variance with the final budget was a positive \$5,066,604 consisting of a revenue surplus of \$3,009,112 and an appropriation surplus of \$2,057,492.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities amounts to \$85,716,691 and \$38,485,387, 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:

- New town Hall construction for \$1,334,348.
- Rail Trail design and improvements for \$19,627.
- Police vehicle purchases for \$151,328.
- Fire Department vehicle purchases for \$112,921.
- Highway vehicle and equipment purchases for \$187,432.
- Road improvements/infrastructure for \$1,085,878.

- School vehicle purchase for \$83,261.
- School Buildings' improvements for \$9,519,302.
- Council on Aging vehicle purchase for \$101,304.
- Senior/Community Center construction for \$1,105,073.

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

In the Sewer Fund:

- Sewer infrastructure improvements for \$171,832.

In the Water Fund:

- Water vehicle purchase for \$64,360.
- Water infrastructure improvements for \$1,508,415.

Debt Administration. The Town's outstanding governmental long-term debt, as of June 30, 2023, totaled \$41,396,497, of which \$10,525,000 is for various school building renovations, \$180,000 is for various land acquisitions, \$240,000 for the water management projects, \$4,965,000 is for the building improvements, \$515,000 is for Dam improvements, \$100,000 is for landfill capping, \$200,000 is for the watershed plan, \$376,497 is for the Title V septic loan projects and \$24,295,000 for municipal purpose loans of various other equipment and projects.

The governmental activities currently have \$975,047 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 2027. The Town currently owes \$330,743 on these leases consisting of \$298,537 in principal and \$32,206 in interest.

The business-type funds outstanding long-term debt totaling \$21,321,899 consists of \$6,769,197 in sewer debt and \$14,552,702 which relates to water projects that are fully supported by the rates.

The Town also has \$1,575,000 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, 2023 do not reflect the fiscal year 2024 Town Meeting actions except for the fund balance free cash and stabilization amounts used to fund the 2024 budget.

The Annual Town Meeting on May 15, 2023 authorized a fiscal year 2024 operating and capital budget as follows:

From the tax levy		\$ 66,927,927
From sewer receipts	\$ 2,249,136	
From sewer betterments	83,200	
From sewer retained earnings	<u>20,657</u>	2,352,993
From water receipts	4,254,154	
From water retained earnings	<u>663,204</u>	4,917,358
From Other Available Funds:		
General Fund:		
Unassigned fund balance:		
Free cash	1,359,934	
Overlay surplus	<u>100,000</u>	1,459,934
Capital improvement stabilization fund	677,988	
Stabilization fund	<u>707,500</u>	1,385,488
Cyrus Hicks fund		200,000
Non-major Governmental Funds:		
Ambulance fund	1,042,800	
Dog fund	38,000	
Premium on Sale of Bonds	11,218	
Septic repair program funds	45,000	
Wetlands protection fund	<u>5,000</u>	1,142,018
		<u>\$ 78,385,718</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, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT:			
Cash and Cash Equivalents	\$ 35,070,390	\$ 11,635,324	\$ 46,705,714
Investments	15,832,400	-	15,832,400
Receivables, net of allowance for uncollectibles:			
Property Taxes	1,055,805	-	1,055,805
Deferred Property Taxes	175,627	-	175,627
Tax Liens	513,047	-	513,047
Excise Taxes	326,775	-	326,775
User Charges	-	1,851,849	1,851,849
Departmental	588,603	-	588,603
Special Assessments	25,692	74,431	100,123
Due from Other Governments	1,554,269	-	1,554,269
Total current assets	<u>55,142,608</u>	<u>13,561,604</u>	<u>68,704,212</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	155,003	999,700	1,154,703
Capital Assets, net of accumulated Depreciation			
Nondepreciable	19,612,482	961,897	20,574,379
Depreciable	66,104,209	37,523,490	103,627,699
Total noncurrent assets	<u>85,871,694</u>	<u>39,485,087</u>	<u>125,356,781</u>
Total Assets	<u>141,014,302</u>	<u>53,046,691</u>	<u>194,060,993</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	8,363,723	712,432	9,076,155
Deferred Outflows Related to OPEB	11,302,032	304,018	11,606,050
Total Deferred Outflows of Resources	<u>\$ 19,665,755</u>	<u>\$ 1,016,450</u>	<u>\$ 20,682,205</u>

(Continued)

**TOWN OF NORTON, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
CURRENT:			
Warrants and Accounts Payable	\$ 264,668	\$ 117,339	\$ 382,007
Accrued Payroll	268,281	23,235	291,516
Payroll Withholdings	445,884	-	445,884
Tax Refund Payable	20,200	-	20,200
Accrued Interest	376,794	261,067	637,861
Other	538,643	-	538,643
Unearned Revenue	4,132,726	-	4,132,726
Compensated Absences	1,018,295	112,318	1,130,613
Bond Anticipation Notes Payable	975,047	1,575,000	2,550,047
Leases Payable	127,117	-	127,117
Bonds Payable	3,042,718	1,548,036	4,590,754
Total current liabilities	11,210,373	3,636,995	14,847,368
NONCURRENT:			
Compensated Absences	1,451,469	110,239	1,561,708
Net OPEB Liability	95,077,479	2,557,528	97,635,007
Net Pension Liability	34,603,637	2,947,582	37,551,219
Leases Payable	171,420	-	171,420
Bonds Payable	40,185,833	19,773,863	59,959,696
Total noncurrent liabilities	171,489,838	25,389,212	196,879,050
Total Liabilities	182,700,211	29,026,207	211,726,418
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	280,225	23,870	304,095
Deferred Inflows Related to OPEB	9,555,295	257,032	9,812,327
Total Deferred Inflows of Resources	9,835,520	280,902	10,116,422
NET POSITION			
Net Investment in Capital Assets	41,842,702	15,588,488	57,431,190
Restricted for:			
Capital Projects	9,352,706	1,913,501	11,266,207
Federal & State Grants	1,528,759	-	1,528,759
Permanent Funds:			
Expendable	259,348	-	259,348
Nonexpendable	342,450	-	342,450
Other Purposes	15,484,612	1,457,425	16,942,037
Unrestricted	(100,666,251)	5,796,618	(94,869,633)
Total Net Position	\$ (31,855,674)	\$ 24,756,032	\$ (7,099,642)

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, 2023**

	<u>Program Revenues</u>				<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
General Government	\$ 3,382,969	\$ 596,065	\$ 559,156	\$ -	\$ (2,227,748)	\$ -	\$ (2,227,748)
Public Safety	11,669,299	4,233,855	491,887	-	(6,943,557)	-	(6,943,557)
Public Works	2,223,662	55,554	283,728	905,632	(978,748)	-	(978,748)
Education	45,515,090	1,365,098	20,378,229	-	(23,771,763)	-	(23,771,763)
Health and Human Services	717,598	124,538	196,607	50,000	(346,453)	-	(346,453)
Culture and Recreation	1,148,017	28,218	62,435	-	(1,057,364)	-	(1,057,364)
Employee Benefits and Insurance	26,108,846	-	5,808,926	-	(20,299,920)	-	(20,299,920)
State Assessments	1,881,972	-	-	-	(1,881,972)	-	(1,881,972)
Interest	1,231,188	-	2,850	-	(1,228,338)	-	(1,228,338)
Total Governmental Activities	93,878,641	6,403,328	27,783,818	955,632	(58,735,863)	-	(58,735,863)
Business-Type Activities:							
Sewer	2,069,905	2,111,274	102,207	20,000	-	163,576	163,576
Water	3,857,153	5,057,300	113,927	-	-	1,314,074	1,314,074
Total Primary Government	\$ 99,805,699	\$ 13,571,902	\$ 27,999,952	\$ 975,632	(58,735,863)	1,477,650	(57,258,213)
General Revenues:							
Property Taxes					45,207,118	-	45,207,118
Motor vehicle and other taxes					3,010,518	-	3,010,518
Hotel room occupancy, meals and cannabis taxes					456,403	-	456,403
Penalties & Interest on taxes					266,490	-	266,490
Grants & Contributions not restricted to specific programs					2,767,106	-	2,767,106
Unrestricted Investment Income					1,583,440	-	1,583,440
Miscellaneous					6,505	-	6,505
Contributions to Permanent Funds					16,600	-	16,600
Transfers, net					275,758	(275,758)	-
Total General Revenues, Contributions and Transfers					53,589,938	(275,758)	53,314,180
Change in Net Position					(5,145,925)	1,201,892	(3,944,033)
Net Position:							
Beginning of year					(26,709,749)	23,554,140	(3,155,609)
End of year					\$ (31,855,674)	\$ 24,756,032	\$ (7,099,642)

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

**TOWN OF NORTON, MASSACHUSETTS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Cyrus Hicks Fund	School Capital Projects Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Cash and Cash Equivalents	\$ 10,427,079	\$ -	\$ 1,183,001	\$ 4,133,143	\$ 19,327,167	\$ 35,070,390
Investments	4,866,898	10,965,502	-	-	-	15,832,400
Receivables, net of allowance for uncollectibles:						
Property Taxes	1,055,805	-	-	-	-	1,055,805
Deferred Property Taxes	175,627	-	-	-	-	175,627
Tax Liens	513,047	-	-	-	-	513,047
Excise Taxes	326,775	-	-	-	-	326,775
Departmental	-	-	-	-	588,603	588,603
Special Assessments	1,935	-	-	-	178,760	180,695
Due from Other Governments	311,480	-	-	-	1,242,789	1,554,269
Total Assets	\$ 17,678,646	\$ 10,965,502	\$ 1,183,001	\$ 4,133,143	\$ 21,337,319	\$ 55,297,611
Liabilities:						
Warrants and Accounts Payable	\$ 90,650	\$ -	\$ -	\$ -	\$ 174,018	\$ 264,668
Accrued Payroll	234,161	-	-	417	33,703	268,281
Payroll Withholdings	445,884	-	-	-	-	445,884
Tax Refund Payable	20,200	-	-	-	-	20,200
Other	5,014	-	-	-	533,629	538,643
Unearned Revenue	-	-	-	4,132,726	-	4,132,726
Bond Anticipation Notes Payable	-	-	573,590	-	401,457	975,047
Total Liabilities	795,909	-	573,590	4,133,143	1,142,807	6,645,449
Deferred Inflows of Resources:						
Unavailable Revenue	2,072,106	-	-	-	1,058,973	3,131,079
Fund Balance:						
Non-Spendable	-	-	-	-	342,450	342,450
Restricted	-	10,965,502	609,411	-	14,034,986	25,609,899
Committed	-	-	-	-	4,845,749	4,845,749
Assigned	5,877,637	-	-	-	-	5,877,637
Unassigned	8,932,994	-	-	-	(87,646)	8,845,348
Total Fund Balance	14,810,631	10,965,502	609,411	-	19,135,539	45,521,083
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,678,646	\$ 10,965,502	\$ 1,183,001	\$ 4,133,143	\$ 21,337,319	\$ 55,297,611

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, 2023**

	General Fund	Cyrus Hicks Fund	School Capital Projects Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$ 44,862,923	\$ -	\$ -	\$ -	\$ -	\$ 44,862,923
Intergovernmental	16,220,078	-	-	760,602	8,416,824	25,397,504
Excise and Other Taxes	3,585,601	-	-	-	-	3,585,601
Charges for Services	-	-	-	-	4,257,810	4,257,810
Licenses, Permits, Fees	2,348,053	-	-	-	-	2,348,053
Interest and Penalties on Taxes	266,490	-	-	-	-	266,490
Investment Income	939,514	643,926	-	-	1,873	1,585,313
Gifts and Donations	-	-	-	-	92,839	92,839
Other	236,801	-	-	-	81,439	318,240
Intergovernmental - "On-behalf" Payments	5,864,162	-	-	-	-	5,864,162
Total Revenues	74,323,622	643,926	-	760,602	12,850,785	88,578,935
Expenditures:						
Current:						
General Government	2,772,529	5,625	-	30,300	1,684,046	4,492,500
Public Safety	9,861,606	-	-	165,362	1,578,000	11,604,968
Public Works	1,322,665	-	-	-	1,466,583	2,789,248
Education	34,997,402	-	10,056,262	146,514	7,794,891	52,995,069
Health and Human Services	567,092	-	-	127,883	1,194,182	1,889,157
Culture and Recreation	567,933	-	-	7,446	543,130	1,118,509
Employee Benefits and Insurance	17,794,689	-	-	-	-	17,794,689
State Assessments	1,881,972	-	-	-	-	1,881,972
Debt Service:						
Principal	2,039,794	-	-	-	-	2,039,794
Interest	1,392,491	-	-	-	-	1,392,491
Total Expenditures	73,198,173	5,625	10,056,262	477,505	14,260,832	97,998,397
Excess of Revenues Over (Under) Expenditures	1,125,449	638,301	(10,056,262)	283,097	(1,410,047)	(9,419,462)
Other Financing Sources (Uses):						
Operating Transfers In	1,764,265	-	-	-	218,365	1,982,630
Operating Transfers Out	(145,366)	(403,365)	-	(283,097)	(875,044)	(1,706,872)
Proceeds from Lease	-	-	-	-	145,513	145,513
Premium from Bonds and Notes	-	-	1,061,592	-	445,903	1,507,495
Proceeds from Bonds and Notes	-	-	17,220,000	-	7,204,182	24,424,182
Total Other Financing Sources (Uses)	1,618,899	(403,365)	18,281,592	(283,097)	7,138,919	26,352,948
Net Change in Fund Balances	2,744,348	234,936	8,225,330	-	5,728,872	16,933,486
Fund Balances, Beginning of Year	12,066,283	10,730,566	(7,615,919)	-	13,406,667	28,587,597
Fund Balances, End of Year	\$ 14,810,631	\$ 10,965,502	\$ 609,411	\$ -	\$ 19,135,539	\$ 45,521,083

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, 2023

Total Governmental Fund Balances	\$	45,521,083
Capital Assets (net) used in governmental activities are not financial resources and therefore, are not reported in the funds.		85,716,691
Revenues are recognized on an accrual basis of accounting instead of a modified accrual basis.		3,131,079
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.		9,830,235
Long Term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Bonds Payable	\$ (43,228,551)	
Leases Payable	(298,537)	
Net Other Post Employment Benefits Liability	(95,077,479)	
Net Pension Liability	(34,603,637)	
Compensated Absences	(2,469,764)	(175,677,968)
In the statement of activities, interest is accrued on outstanding long term debt, whereas in governmental funds, interest is not reported until due.		<u>(376,794)</u>
Net Position of Governmental Activities	\$	<u>(31,855,674)</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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 16,933,486

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	\$ 13,700,974	
Depreciation	<u>(3,777,715)</u>	9,923,259

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. (121,977)

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	2,381,376	
Proceeds from Lease	(145,513)	
Net Amortization of Premium from Issuance of Bonds	306,419	
Premium from Bonds and Notes	(1,507,495)	
Proceeds from Bonds and Notes	<u>(24,424,182)</u>	(23,389,395)

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	(32,025)	
Net Change in Net Other Post Employment Benefits Liability	(2,628,124)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to OPEB	(3,342,107)	
Net Change in Net Pension Liability	(9,882,652)	
Net Change in Deferred Outflow/(Inflow) of Resources Related to Pensions	7,538,726	
Net Change in Accrued Interest on Long-Term Debt	<u>(145,116)</u>	(8,491,298)

Change in Net Position of Governmental Activities \$ (5,145,925)

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, 2023**

	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	\$ -	\$ 44,813,677	\$ 45,111,995	\$ 44,792,023	\$ -	\$ (319,972)
Intergovernmental	-	16,007,888	16,007,888	16,220,078	-	212,190
Excise and Other Taxes	-	2,752,500	2,752,500	3,388,638	-	636,138
Licenses, Permits, Fees	-	919,202	919,202	2,348,053	-	1,428,851
Interest and Penalties on Taxes	-	240,000	240,000	266,490	-	26,490
Investment Income	-	75,000	75,000	863,614	-	788,614
Other	-	-	-	236,801	-	236,801
Total Revenues	-	64,808,267	65,106,585	68,115,697	-	3,009,112
Expenditures:						
Current:						
General Government	1,883,257	2,795,639	4,752,882	2,772,529	1,835,026	145,327
Public Safety	191,970	9,562,310	10,082,048	9,861,606	169,955	50,487
Public Works	208,808	1,322,662	1,556,862	1,322,665	206,127	28,070
Education	643,854	34,654,588	35,740,826	34,997,402	535,681	207,743
Health and Human Services	62,324	676,561	739,256	567,092	46,507	125,657
Culture and Recreation	13,604	568,481	632,085	567,933	62,236	1,916
Employee Benefits and Insurance	190,760	13,337,229	13,559,207	11,985,765	176,683	1,396,759
State Assessments	-	1,983,503	1,983,503	1,881,972	-	101,531
Debt Service:						
Principal	-	1,990,948	1,990,948	1,990,948	-	-
Interest	-	778,515	1,386,101	1,386,099	-	2
Total Expenditures	3,194,577	67,670,436	72,423,718	67,334,011	3,032,215	2,057,492
Excess of Revenues Over (Under) Expenditures	(3,194,577)	(2,862,169)	(7,317,133)	781,686	(3,032,215)	5,066,604
Other Financing Sources (Uses):						
Operating Transfers In	-	2,258,534	2,281,766	2,302,237	-	20,471
Operating Transfers Out	-	(130,365)	(1,145,365)	(1,145,365)	-	-
Total Other Financing Sources (Uses)	-	2,128,169	1,136,401	1,156,872	-	20,471
Net Change in Budgetary Fund Balance	(3,194,577)	(734,000)	(6,180,732)	\$ 1,938,558	\$ (3,032,215)	\$ 5,087,075
Other Budgetary Items:						
Free Cash and Other Reserves	-	734,000	2,986,155			
Prior Year Encumbrances	3,194,577	-	3,194,577			
Total Other Budgetary Items	3,194,577	734,000	6,180,732			
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, 2023

	Revenues	Expenditures
Reported on a Budgetary Basis	\$ 68,115,697	\$ 67,334,011
<i>Adjustments:</i>		
Activity for Stabilization Funds Recorded in the General Fund for GAAP Purposes	75,900	-
Net Increase in Revenue from recording Refund Taxes Payable	17,300	-
Recognition of Intergovernmental Revenue - "on behalf payments"	5,864,162	-
Recognition of Expenditures - "on behalf payments"	-	5,864,162
Net Change in Accruals for GAAP Purposes	196,963	-
Net Increase in Revenue from Recording 60-Day Receipts	53,600	-
Reported on a GAAP Basis	\$ 74,323,622	\$ 73,198,173

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, 2023

ASSETS	Business-Type Activities Enterprise Funds		
	Sewer Fund	Water Fund	Total
	Sewer Fund	Water Fund	Total
CURRENT:			
Cash and Cash Equivalents	\$ 4,803,591	\$ 6,831,733	\$ 11,635,324
Receivables, net of allowance for uncollectibles:			
User Charges	404,324	1,447,525	1,851,849
Special Assessments	74,431	-	74,431
Total current assets	5,282,346	8,279,258	13,561,604
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special Assessments	999,700	-	999,700
Capital Assets, net of accumulated depreciation:			
Nondepreciable	171,832	790,065	961,897
Depreciable	11,272,933	26,250,557	37,523,490
Total noncurrent assets	12,444,465	27,040,622	39,485,087
Total Assets	17,726,811	35,319,880	53,046,691
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	89,418	623,014	712,432
Deferred Outflows Related to OPEB	45,048	258,970	304,018
Total Deferred Outflows of Resources	134,466	881,984	1,016,450
LIABILITIES			
CURRENT:			
Accounts Payable	27,951	89,388	117,339
Accrued Payroll	4,060	19,175	23,235
Accrued Interest	61,220	199,847	261,067
Compensated Absences	26,103	86,215	112,318
Bond Anticipation Notes Payable	-	1,575,000	1,575,000
Bonds Payable	378,630	1,169,406	1,548,036
Total current liabilities	497,964	3,139,031	3,636,995
NONCURRENT:			
Compensated Absences	43,788	66,451	110,239
Net OPEB Liability	378,964	2,178,564	2,557,528
Net Pension Liability	369,954	2,577,628	2,947,582
Bonds Payable	6,390,567	13,383,296	19,773,863
Total noncurrent liabilities	7,183,273	18,205,939	25,389,212
Total Liabilities	7,681,237	21,344,970	29,026,207
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	2,996	20,874	23,870
Deferred Inflows Related to OPEB	38,086	218,946	257,032
Total Deferred Inflows of Resources	41,082	239,820	280,902
NET POSITION			
Net Investment in Capital Assets	4,675,568	10,912,920	15,588,488
Restricted for Capital	265,001	1,648,500	1,913,501
Restricted for Betterments	1,457,425	-	1,457,425
Unrestricted	3,740,964	2,055,654	5,796,618
Total Net Position	\$ 10,138,958	\$ 14,617,074	\$ 24,756,032

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, 2023

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Water Fund	Total
Operating Revenues:			
Charges for Services	\$ 2,077,696	\$ 4,700,161	\$ 6,777,857
Other	4,133	357,139	361,272
Total Operating Revenues	2,081,829	5,057,300	7,139,129
Operating Expenses:			
Salaries & Wages	286,280	1,069,948	1,356,228
Operating Expenses	1,262,171	1,365,365	2,627,536
Depreciation	365,359	942,986	1,308,345
Total Operating Expenses	1,913,810	3,378,299	5,292,109
Operating Income (Loss)	168,019	1,679,001	1,847,020
Non-Operating Revenues (Expenses):			
Investment Income	102,207	113,927	216,134
Special Assessments	29,445	-	29,445
Intergovernmental	20,000	-	20,000
Interest Expense	(156,095)	(478,854)	(634,949)
Total Non-Operating Revenues (Expenses)	(4,443)	(364,927)	(369,370)
Income (Loss) Before Operating Transfers	163,576	1,314,074	1,477,650
Operating Transfers:			
Transfer In	302,198	111,265	413,463
Transfers (Out)	(130,869)	(558,352)	(689,221)
Total Operating Transfers	171,329	(447,087)	(275,758)
Change in Net Position	334,905	866,987	1,201,892
Net Position at Beginning of Year	9,804,053	13,750,087	23,554,140
Net Position at End of Year	\$ 10,138,958	\$ 14,617,074	\$ 24,756,032

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, 2023**

	Business-Type Activities Enterprise Funds		
	Sewer Fund	Water Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers and Users	\$ 2,067,042	\$ 4,538,818	\$ 6,605,860
Receipts from Other Revenues	4,133	357,139	361,272
Payments to Vendors	(1,166,044)	(945,258)	(2,111,302)
Payments to Employees	(281,518)	(1,052,324)	(1,333,842)
Net Cash Provided by (Used for) Operating Activities	623,613	2,898,375	3,521,988
Cash Flows from Noncapital Financing Activities:			
Transfers from (to) Other Funds	171,329	(447,087)	(275,758)
Net Cash Provided by (Used for) Noncapital Financing Activities	171,329	(447,087)	(275,758)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(171,832)	(1,572,775)	(1,744,607)
Proceeds from the Issuance of Bonds and Notes	-	725,000	725,000
Special Assessments	138,556	-	138,556
Intergovernmental	20,000	-	20,000
Principal Payments on Bonds and Notes	(375,708)	(1,159,953)	(1,535,661)
Interest Expense	(159,671)	(445,951)	(605,622)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(548,655)	(2,453,679)	(3,002,334)
Cash Flows from Investing Activities:			
Investment Income	102,207	113,927	216,134
Net Cash Provided by (Used for) Investing Activities	102,207	113,927	216,134
Net Increase (Decrease) in Cash and Cash Equivalents	348,494	111,536	460,030
Cash and Cash Equivalents at Beginning of Year	\$4,455,097	\$6,720,197	\$11,175,294
Cash and Cash Equivalents at End of Year	\$ 4,803,591	\$ 6,831,733	\$ 11,635,324

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

Operating Income (Loss)	\$ 168,019	\$ 1,679,001	\$ 1,847,020
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	365,359	942,986	1,308,345
Deferred (Outflows)/Inflows of Resources Related to Pensions	(81,377)	(563,425)	(644,802)
Deferred (Outflows)/Inflows of Resources Related to OPEB	13,590	76,273	89,863
Change in Assets and Liabilities:			
Increase (Decrease) in Accounts Payable	17,298	20,666	37,964
Increase (Decrease) in Accrued Payroll	554	4,725	5,279
Increase (Decrease) in Compensated Absences	4,208	12,899	17,107
Increase (Decrease) in Net OPEB Liability	5,592	65,788	71,380
Increase (Decrease) in Net Pension Liability	141,024	820,805	961,829
Decrease (Increase) in User Charges Receivable	(10,654)	(161,343)	(171,997)
Total Adjustments	455,594	1,219,374	1,674,968
Net Cash Provided by (Used for) Operating Activities	\$ 623,613	\$ 2,898,375	\$ 3,521,988

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, 2023**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
ASSETS:		
Cash and Cash Equivalents	\$ -	\$ 123,365
Investments	1,041,026	-
Total Assets	1,041,026	123,365
 NET POSITION:		
Restricted for Other Postemployment Benefits	1,041,026	-
Held in Trust for Other Purposes	-	123,365
Total Net Position	\$ 1,041,026	\$ 123,365

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, 2023**

	Other Post Employment Benefits Trust Fund	Private Purpose Trust Funds
Additions		
Contributions:		
Employer	\$ 3,255,330	\$ -
Private Donations	-	11,650
Investment Income	63,853	1,841
Total Additions	3,319,183	13,491
Deductions:		
Educational Scholarships	-	43,800
Insurance and Employee Benefits	3,140,330	-
Total Deductions	3,140,330	43,800
Change in Net Position	178,853	(30,309)
Net Position at Beginning of Year	862,173	153,674
Net Position at End of Year	\$ 1,041,026	\$ 123,365

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, 2023

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 2023, 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, 2023

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, 2023

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 *american rescue plan act (ARPA) grant fund* is a United States Federal Government established funding source to assist in the fighting of the coronavirus.

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.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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).

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.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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

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, 2022 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 2023 on June 24, 2022, that were due on August 1, 2022 and November 1, 2022 and actual bills on December 28, 2022 that were due on February 1, 2023 and May 1, 2023.

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.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

The legal levy limit under Proposition 2 1/2 for fiscal year 2023 is as follows;

Legal Levy Limit Under Proposition 2 1/2 for fiscal year 2023	\$ 43,827,742
Add: Debt Exclusion	<u>1,638,413</u>
Maximum Allowable Levy	<u><u>\$ 45,466,155</u></u>

The total amount raised by taxation was \$45,458,179.

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.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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.

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.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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*.

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.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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.

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. Investment Income

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).

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

M. 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.

N. 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.

O. 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.

P. 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.

Q. 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.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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 . . . "

For fiscal year 2023, the Town incurred a final budget deficit of \$6,180,732 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	\$ 2,986,155
Prior year's encumbrances	<u>3,194,577</u>
	<u><u>\$ 6,180,732</u></u>

B. Deficit Fund Balances

The following funds have deficits at June 30, 2023 as measured by the balance of unreserved fund balance.

- The *LED street lights* capital project fund has a deficit of \$87,646. The Town has an outstanding bond anticipation note for \$149,808. The deficit will be eliminated upon the issuance of permanent debt.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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, 2023 were \$48,437,863. Of these, \$253,958 are exposed to custodial credit risk as uninsured and uncollateralized.

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, 2023, 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	\$ 1,821,778	\$ 315,058	\$ 1,245,349	\$ 261,371
U. S. government agencies	249,073	-	249,073	-
Corporate bonds	3,387,998	505,941	2,078,152	803,905
Money market mutual fund	397,895	397,895	-	-
	<u>5,856,744</u>	<u>\$ 1,218,894</u>	<u>\$ 3,572,574</u>	<u>\$ 1,065,276</u>
Other Investments:				
Equity securities - domestic (stocks)	9,388,181			
Mutual funds	52,453			
Fixed Income	371,366			
MMDT	1,204,682			
	<u>\$ 16,873,426</u>			

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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 \$16,873,426 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.

Credit Risk

The Town's exposure to credit risk as of June 30, 2023 is as follows:

Related Debt Instruments	Fair Value
Moody's Quality Ratings	
<i>U. S. Treasury Obligations:</i>	
Aaa	\$ 1,821,778
<i>U. S. Government Agencies:</i>	
Aaa	249,073
<i>Corporate Bonds:</i>	
Aaa	349,684
A1	738,612
A2	483,545
A3	276,031
Aa3	101,604
Baa1	570,948
Baa2	547,552
Not rated	320,022
<i>Money Market Mutual Funds:</i>	
Not rated	397,895
	\$ 5,856,744

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, 2023

The Town has the following recurring fair value measurements as of June 30, 2023:

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	\$ 1,821,778	\$ 1,821,778	\$ -	\$ -
U. S. government agencies	249,073	249,073	-	-
Equity securities - domestic	9,388,181	9,388,181	-	-
Fixed Income	371,366	371,366	-	-
Money market mutual fund	397,895	397,895	-	-
Mutual funds	52,453	52,453	-	-
Corporate bonds	3,387,998	-	3,387,998	-
	<u>15,668,744</u>	<u>\$ 12,280,746</u>	<u>\$ 3,387,998</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
External Investment Pools (MMDT)	<u>1,204,682</u>			
Total Investments	<u>\$ 16,873,426</u>			

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

Investments classified in Level 2 are valued using 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, 2023, 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	\$ 1,064,705	\$ (8,900)	\$ 1,055,805
Deferred property taxes	175,627	-	175,627
Tax liens	513,047	-	513,047
Taxes in litigation	1,092	(1,092)	-
Excise taxes	404,977	(78,202)	326,775
Departmental	1,632,675	(1,044,072)	588,603
Special assessments	180,695	-	180,695
Due from other governments	1,554,269	-	1,554,269
	<u>\$ 5,527,087</u>	<u>\$ (1,132,266)</u>	<u>\$ 4,394,821</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

At June 30, 2023, receivables for the business-type activities consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer Fund:			
Sewer user charges	\$ 404,824	\$ (500)	\$ 404,324
Special assessments	1,074,131	-	1,074,131
Water Fund:			
Water user charges	1,448,525	(1,000)	1,447,525
	\$ 2,927,480	\$ (1,500)	\$ 2,925,980

The composition of amounts due from other governments as of June 30, 2023 for governmental funds is as follows:

General Fund:

Commonwealth of Massachusetts:

Department of Elementary and Secondary Education:

Transportation

\$ 196,963

Department of Veterans Services:

Veterans benefits

114,517 \$ 311,480

Nonmajor Governmental Funds:

U. S. Department of Agriculture:

School lunch

109,206

School lunch equipment grant

19,372

U. S. Department of Education:

School title grants

291,135

U. S. Department of Homeland Security

Staffing for Adequate Fire and Emergency

Response (SAFER) grant

81,382

Bulletproof vests grants

5,032

Commonwealth of Massachusetts:

Department of Elementary and Secondary Education:

School Lunch

38,061

School title grants

107,042

Department of Mental Health:

Co-response police grant

14,048

Massachusetts Department of Transportation:

Highway Department - Chapter 90 funded projects

577,511 1,242,789

\$ 1,554,269

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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	\$	940,204	
Deferred property taxes		175,627	
Tax liens		513,047	
Excise taxes		326,775	
Special assessments		1,935	
Due from other governments		114,518	\$ 2,072,106
Nonmajor Governmental Funds:			
Departmental		302,702	
Special assessments		178,760	
Due from other governments		577,511	1,058,973
			\$ 3,131,079

D. Capital Assets

Capital asset activity for the year ended June 30, 2023, is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 11,051,540	\$ -	\$ -	\$ 11,051,540
Construction in Progress	7,589,259	11,959,222	(10,987,539)	8,560,942
Total capital assets not being depreciated	18,640,799	11,959,222	(10,987,539)	19,612,482
Capital assets being depreciated:				
Buildings and Renovations	87,885,115	10,987,539	-	98,872,654
Machinery, equipment and other	10,877,997	636,246	(140,352)	11,373,891
Infrastructure	16,494,393	1,105,505	-	17,599,898
Total capital assets being depreciated	115,257,505	12,729,290	(140,352)	127,846,443
Less accumulated depreciation for:				
Buildings and Renovations	41,648,488	2,300,844	-	43,949,332
Machinery, equipment and other	8,661,011	713,319	(140,352)	9,233,978
Infrastructure	7,795,373	763,551	-	8,558,924
Total accumulated depreciation	58,104,872	3,777,714	(140,352)	61,742,234
Total capital assets being depreciated, net	57,152,633	8,951,576	-	66,104,209
Total governmental activities capital assets, net	\$ 75,793,432	\$ 20,910,798	\$ (10,987,539)	\$ 85,716,691

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 348,926	\$ -	\$ -	\$ 348,926
Construction in progress	7,232,778	1,680,247	(8,300,054)	612,971
Total capital assets not being depreciated	7,581,704	1,680,247	(8,300,054)	961,897
Capital assets being depreciated:				
Buildings and improvements	454,794	-	-	454,794
Machinery, equipment and other	1,456,519	64,360	-	1,520,879
Infrastructure	45,800,917	8,300,054	-	54,100,971
Total capital assets being depreciated	47,712,230	8,364,414	-	56,076,644
Less accumulated depreciation for:				
Buildings and improvements	227,829	17,402	-	245,231
Machinery, equipment and other	1,250,457	88,934	-	1,339,391
Infrastructure	15,766,523	1,202,009	-	16,968,532
Total accumulated depreciation	17,244,809	1,308,345	-	18,553,154
Total capital assets being depreciated, net	30,467,421	7,056,069	-	37,523,490
Total business-type activities capital assets, net	\$ 38,049,125	\$ 8,736,316	\$ (8,300,054)	\$ 38,485,387

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

Governmental Activities:

General government	\$ 121,306
Public safety	553,065
Public works	837,691
Education	2,199,330
Health and human services	36,814
Culture and recreation	29,508
Total depreciation expense - governmental activities	<u>\$ 3,777,714</u>

Business-Type Activities:

Sewer fund	\$ 365,359
Water fund	942,986
Total depreciation expense - business-type activities	<u>\$ 1,308,345</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

E. Interfund Receivables, Payables and Transfers

Interfund transfers for the fiscal year ended June 30, 2023, are summarized as follows:

Transfers Out:	Transfers In:			
	General fund	Nonmajor governmental funds	Business-type funds	Total
General fund	\$ -	\$ 15,000	\$ 130,366	\$ 145,366
Major funds	200,000	203,365	283,097	686,462
Nonmajor governmental funds	875,044	-	-	875,044
Business-type activities	689,221	-	-	689,221
Total transfers out	\$ 1,764,265	\$ 218,365	\$ 413,463	\$ 2,396,093

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 2023, acquired through the capital leases are as follows:

	Governmental Activities
Asset:	
Machinery, Equipment and Other	\$ 1,528,323
Less: Accumulated Depreciation	(565,980)
Total	\$ 962,343

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, are as follows:

Year Ending June 30,	Governmental Activities
2024	\$ 143,149
2025	120,948
2026	33,323
2027	33,323
Total minimum lease payments	330,743
Less: amount representing interest	(32,206)
Present value of minimum lease payments	\$ 298,537

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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, 2022	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2023
Bond Anticipation Notes:						
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	-
School windows and doors	4.25%	10/20/2023	-	573,590	-	573,590
LED Street Lights	4.30%	12/15/2023	-	149,808	-	149,808
Septic program interim loan	0.00%	3/21/2024	245,854	5,795	-	251,649
Total Governmental Activities			<u>\$ 19,423,434</u>	<u>\$ 729,193</u>	<u>\$ 19,177,580</u>	<u>\$ 975,047</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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, 2022	Renewed/ Issued	Retired/ Redeemed	Outstanding June 30, 2023
Bond Anticipation Notes:						
Water:						
Well Replacement	3.00%	10/20/2022	\$ 850,000	\$ -	\$ 850,000	\$ -
Well Replacement	4.25%	10/20/2023	-	1,575,000	-	1,575,000
Total Business-Type Activities			<u>\$ 850,000</u>	<u>\$ 1,575,000</u>	<u>\$ 850,000</u>	<u>\$ 1,575,000</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, 2023

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, 2023
Inside Debt:					
School building renovations	3.75%	11/1/2004	11/1/2023	\$ 2,100,000	\$ 110,000
Land Acquisition - Newcomb	2.81%	5/15/2014	11/15/2028	475,000	180,000
School HVAC Repairs	2.81%	5/15/2014	5/5/2026	120,000	30,000
School Roof	2.81%	5/15/2014	5/15/2029	548,370	210,000
Watershed planning	2.45%	12/15/2016	12/15/2028	510,000	240,000
Town Hall repairs	2.45%	12/15/2016	12/15/2026	350,000	140,000
Library Building Remodeling	2.05%	10/15/2019	10/15/2029	385,000	265,000
School Engineering Services	2.05%	10/15/2019	10/15/2028	180,000	120,000
Watershed Plan	2.05%	10/15/2019	10/15/2032	270,000	200,000
Town Hall/Senior Center construction	1.48%	9/15/2021	8/1/2041	4,800,000	4,560,000
Municipal Purpose Loan of 2022	3.91%	10/19/2022	10/15/2052	24,295,000	24,295,000
Total Inside Debt					30,350,000
Outside Debt:					
High school renovations	2.82%	11/15/2011	2/15/2031	6,550,000	2,925,000
High school track/bleachers	2.38%	11/15/2011	2/15/2025	650,000	120,000
School construction	2.81%	5/15/2014	5/15/2034	6,500,000	3,575,000
High school renovations	2.45%	12/15/2016	12/15/2031	650,000	380,000
Dam improvements	2.45%	12/15/2016	12/15/2031	878,000	515,000
Landfill capping	2.45%	12/15/2016	12/15/2026	267,000	100,000
School construction	2.05%	10/15/2019	10/15/2039	3,595,000	3,055,000
Massachusetts Clean Water Trust:					
Title V Septic Loans - Round 3	N/A	8/1/2004	8/1/2023	236,799	11,948
Title V Septic Loans - Round 4	N/A	12/14/2006	7/15/2026	146,244	29,252
Title V Septic Loans - Round 5	N/A	11/15/2006	8/1/2024	184,207	19,768
Title V Septic Loans - Round 6	N/A	11/22/2010	7/15/2029	200,000	73,688
Title V Septic Loans - Round 7	N/A	11/22/2010	7/15/2029	201,502	74,242
Title V Septic Loans - Round 8	N/A	5/22/2013	1/15/2033	165,000	82,500
Title V Septic Loans - Round 9	N/A	1/7/2015	1/15/2035	33,498	20,099
Title V Septic Loans - Round 10	N/A	2/11/2016	1/15/2036	100,000	65,000
Total Outside Debt					11,046,497
Total Bonded Debt					41,396,497
Add: Unamortized premium on bonds					1,832,054
Total governmental type debt					\$ 43,228,551

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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, 2023, are as follows:

Year	Principal	Interest	Total
2024	\$ 2,860,202	\$ 1,628,625	\$ 4,488,827
2025	2,738,255	1,527,225	4,265,480
2026	2,728,371	1,411,928	4,140,299
2027	2,678,371	1,296,831	3,975,202
2028	2,596,058	1,184,056	3,780,114
2029-2033	11,856,890	4,356,469	16,213,359
2034-2038	7,583,350	2,326,450	9,909,800
2039-2043	4,640,000	1,201,859	5,841,859
2044-2048	2,800,000	459,194	3,259,194
2049-2053	915,000	94,828	1,009,828
	<u>\$ 41,396,497</u>	<u>\$ 15,487,465</u>	<u>\$ 56,883,962</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, 2023
Inside Debt:					
Sewer Fund:					
Sewer Expansion	2.45%	12/15/2016	12/15/2026	\$ 245,000	\$ 95,000
Sewer Expansion	2.05%	10/15/2019	10/15/2034	355,000	280,000
Massachusetts Clean Water Trust:					
Sewer Expansion CW-14-33	2.00%	4/13/2017	1/15/2037	2,924,728	2,175,174
Sewer pumps CWP-18-43	2.00%	5/11/2021	1/15/2041	4,693,231	4,219,023
Total Inside Debt					<u>6,769,197</u>
Outside Debt:					
Water fund:					
Water mains	3.99%	10/1/2007	10/1/2027	3,300,000	825,000
New water tank	3.99%	10/1/2007	10/1/2027	1,700,000	425,000
Water mains	2.05%	10/15/2019	10/15/2034	2,580,000	2,190,000
Water Treatment Plant	2.00%	10/24/2019	7/15/2039	10,300,000	9,022,702
Water mains (Refunding)	1.48%	9/15/2021	8/1/2028	2,435,000	2,090,000
Total Outside Debt					<u>14,552,702</u>
Total Business-type Debt					<u>\$ 21,321,899</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

The annual principal and interest payments to retire all business-type long-term debt outstanding as of June 30, 2023, are as follows:

Year	Principal	Interest	Total
2024	\$ 1,548,036	\$ 521,652	\$ 2,069,688
2025	1,564,836	470,011	2,034,847
2026	1,587,002	417,781	2,004,783
2027	1,599,542	365,153	1,964,695
2028	1,597,462	312,546	1,910,008
2029-2033	5,610,042	1,093,159	6,703,201
2034-2038	5,503,335	533,092	6,036,427
2039-2042	2,311,644	64,672	2,376,316
	<u>\$ 21,321,899</u>	<u>\$ 3,778,066</u>	<u>\$ 25,099,965</u>

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

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 18,400,000	\$ 24,295,000	\$ 1,675,000	\$ 41,020,000	\$ 2,795,000
Add: Unamortized premium on bonds	612,109	-	235,612	376,497	65,202
Lease payable	630,978	1,485,527	284,451	1,832,054	182,516
Compensated absences	494,206	-	308,965	185,241	-
Net OPEB liability	2,437,739	137,376	105,351	2,469,764	1,018,295
Net pension liability	92,449,355	2,628,124	-	95,077,479	-
Net pension liability	24,720,985	9,882,652	-	34,603,637	-
Governmental activity Long-term liabilities	<u>\$ 139,745,372</u>	<u>\$ 38,428,679</u>	<u>\$ 2,609,379</u>	<u>\$ 175,564,672</u>	<u>\$ 4,061,013</u>
Business-type activities:					
Bonds Payable:					
General obligation bonds Massachusetts Clean Water Trust bonds	\$ 6,680,060	\$ -	\$ 775,000	5,905,060	\$ 775,000
Compensated absences	16,267,890	4,219,023	5,070,074	15,416,839	773,036
Net OPEB liability	205,450	17,107	-	222,557	112,318
Net pension liability	2,486,148	71,380	-	2,557,528	-
Net pension liability	1,985,753	961,829	-	2,947,582	-
Business-type activity Long-term liabilities	<u>\$ 27,625,301</u>	<u>\$ 5,269,339</u>	<u>\$ 5,845,074</u>	<u>\$ 27,049,566</u>	<u>\$ 1,660,354</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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, 2023 for principal and interest combined for the loans is \$18,613,809. The net repayments, including interest, are scheduled to be \$17,970,938. 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 2023 principal and interest subsidies totaled \$55,238.

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, 2023 totaled \$37,119,197.

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, 2023:

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	\$ 62,718,396		
Less: Debt Outside Debt Limit	<u>(25,599,199)</u>	<u>37,119,197</u>	
Inside Debt Excess Borrowing Capacity at June 30, 2023		<u>\$ 121,119,573</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, 2023

Loan authorizations that have not been issued as of June 30, 2023 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	748,351
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
5/8/2021	New Town Hall	19,341,388
5/8/2021	Senior and Community Support System	4,537,184
5/8/2021	Energy Management Services Contract	24
		<u>\$ 30,640,192</u>

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

I. Fund Balances

The following is a summary of the Governmental fund balances at the year ended June 30, 2023:

	General Fund	Major Funds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Permanent funds	\$ -	\$ -	\$ 342,450	\$ 342,450
Restricted:				
Federal, state and local grants	-	-	951,248	951,248
School revolving funds	-	-	2,940,060	2,940,060
Revolving funds	-	-	261,735	261,735
Septic loans	-	-	794,797	794,797
Debt service	-	-	214,415	214,415
Donations and gifts	-	-	446,533	446,533
Permanent funds	-	-	259,348	259,348
Cyrus Hicks fund	-	10,965,502	-	10,965,502
Capital project funds	-	609,411	8,107,543	8,716,954
Other	-	-	59,307	59,307
	-	11,574,913	14,034,986	25,609,899
Committed:				
Ambulance	-	-	4,733,314	4,733,314
Dog fund	-	-	112,435	112,435
	-	-	4,845,749	4,845,749
Assigned:				
General government	1,835,026	-	-	1,835,026
Public safety	169,955	-	-	169,955
Public works	206,127	-	-	206,127
Education	535,681	-	-	535,681
Health and human services	46,507	-	-	46,507
Culture and recreation	62,236	-	-	62,236
Employee benefits and insurance	176,683	-	-	176,683
Subsequent year's budget	2,845,422	-	-	2,845,422
	5,877,637	-	-	5,877,637
Unassigned:				
General fund	8,932,994	-	-	8,932,994
Capital projects	-	-	(87,646)	(87,646)
	8,932,994	-	(87,646)	8,845,348
Total Governmental fund balances	\$ 14,810,631	\$ 11,574,913	\$ 19,135,539	\$ 45,521,083

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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, 2023 the balances in the stabilization funds are reported in the General Fund as unassigned fund balance consisting of the following:

General purpose stabilization fund	\$ 2,132,212
Capital improvement stabilization fund	311,185
	<u>\$ 2,443,397</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, 2023

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, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

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, 2023, the Town of Norton abated property taxes amounting to \$2,913,129 under eight tax abatement agreements. The Town has not made any commitments as part of the agreements other than to reduce taxes.

D. Subsequent Events

In October of 2023, the Town received \$20,330,000 in bond proceeds with an interest rate of 4.3% to finance the various projects (\$14,965,000 for Town Hall construction, \$3,840,000 for the Senior & Community Center construction, and \$1,525,000 to replace water wells). Principal payments will be due annually on October 15th for 30 years. Interest is payable semi-annually commencing in October and April 2024.

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, 2023

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, 2022. The Town's portion of the collective pension expense contributed by the Commonwealth of \$5,808,924 on-behalf payments for the fiscal year ending June 30, 2023 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, 2022 was \$3,571,602, representing 23.97% 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, 2023

Pension Liability

As of June 30, 2023, the Town reported a liability of \$37,551,219 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, 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 forward 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, 2022, the Town's proportional percentage was 7.279%, which was a slight increase from the last measurement.

Pension Expense

For the year ended June 30, 2023, the Town recognized a pension expense of \$6,232,555; and reported deferred outflows of resources related to pensions of \$9,076,155 from the differences between actual and expected experience, the net difference between projected and actual investment earnings on pension plan investments, 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 \$304,095 from 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,	
2024	\$ 2,814,499
2025	1,903,980
2026	1,610,391
2027	2,439,785
2028	3,405
	<u>\$ 8,772,060</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 forward to December 31, 2022:

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, 2023

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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.0%	5.0%
International Equity	11.0%	5.2%
Emerging Markets Equity	11.0%	5.9%
Global REITs	2.0%	4.4%
Core Fixed Income	5.0%	1.5%
High Yield fixed income	3.0%	3.1%
Emerging Market fixed income	4.0%	2.9%
Global Fixed Income	3.0%	1.4%
Private Equity	12.0%	7.2%
Hedge Funds	4.0%	2.9%
Real Estate	11.0%	2.7%
Timber	3.0%	2.8%
Farmland	3.0%	5.3%
Infrastructure	6.0%	4.8%
Total	<u>100.0%</u>	

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was (10.2%). 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	Current	1% Increase
	(6.35%)	Discount Rate	(8.35%)
	(6.35%)	(7.35%)	(8.35%)
Town's net pension liability	\$ 48,475,767	\$ 37,551,219	\$ 28,328,602

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, 2023

Investment Policy

The OPEB Trust fund does not have a formal investment policy. As of June 30, 2023, 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, 2023 Measurement Date, the Town premiums plus implicit costs for the retiree medical program were \$3,140,330. The Town also made a contribution to an OPEB Trust of \$115,000 for a total contribution during the measurement period of \$3,255,330. The Town did establish a trust fund in order to contribute funds to reduce the future OPEB liability. The trust balance is \$1,041,026 as of June 30, 2023.

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, 2023, 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	967

Net OPEB Liability

The components of the net OPEB liability are as follows:

	6/30/2023
Total OPEB liability	98,676,033
Less: Plan fiduciary net position	(1,041,026)
Town's Net OPEB liability	\$ 97,635,007
Plan fiduciary net position as a percentage of the total OPEB liability	1.05%

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, 2023:

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, 2023

Asset valuation method	Market value of assets as of the measurement date.
Investment rate of return	5.64% annually, net of OPEB plan investment expense, Including inflation
Single Equivalent Discount rate	4.98%, net of OPEB plan investment expense, Including inflation
Inflation rate	2.50% as of June 30, 2023 and for future periods
Participant salary increases	3.00% as of June 30, 2023 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.
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, 2023 is 4.13%.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return (which expresses investment performance), net of investment expense was 7.41%.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.98%. 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, 2023

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	25.75%	4.10%
Domestic Equity - Small/Mid Cap	13.50%	4.55%
International Equity - Developed Market	12.25%	4.64%
International Equity - Emerging Market	7.00%	5.45%
Domestic Fixed Income	28.00%	1.05%
International Fixed Income	6.00%	0.96%
Alternatives	7.00%	5.95%
Real Estate	0.00%	6.25%
Cash	0.50%	0.00%
Total	<u>100.00%</u>	
I. Real Rate of Return		3.39%
II. Add: Inflation Assumption		2.50%
III. Total Nominal Return (I. + II.)		<u>5.89%</u>
IV. Less: Investment Expense		0.25%
V. Net investment Return (III.-IV.)		<u>5.64%</u>

* = Mean Geometric Returns based on 2022 Horizon Survey of Capital Market Assumptions.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at June 30, 2022	\$ 95,797,676	\$ 862,173	\$ 94,935,503
Service cost	2,127,811	-	2,127,811
Interest on Total OPEB Liability	4,741,609	-	4,741,609
Changes in benefit terms *	-	-	-
Changes in assumptions **	(850,733)	-	(850,733)
Difference between actual and expected experience **	-	-	-
Net investment income	-	63,853	(63,853)
Employer contributions to Trust	-	3,255,330	(3,255,330)
Total benefit payments including implicit cost	(3,140,330)	(3,140,330)	-
Net change in total OPEB liability	<u>2,878,357</u>	<u>178,853</u>	<u>2,699,504</u>
Balances at June 30, 2023	<u>\$ 98,676,033</u>	<u>\$ 1,041,026</u>	<u>\$ 97,635,007</u>

* = 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 (3.98%) or 1-percentage-point higher (5.98%) than the current rate:

	1% Decrease	Current	1% Increase
	(3.98%)	Discount Rate (4.98%)	(5.98%)
Town's net OPEB liability	\$ 113,854,322	\$ 97,635,007	\$ 84,737,716

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	1% Increase
		Cost Trend Rates	
Town's net OPEB liability	\$ 83,574,454	\$ 97,635,007	\$ 115,554,188

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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, 2023, the GASB Statement No. 75 reporting period and fiscal year ending date, the Town recognized an OPEB expense of \$6,131,474 and reported deferred outflows of resources related to OPEB of \$11,606,050 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 \$9,812,327 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,	
2024	\$ 1,717,189
2025	1,227,543
2026	193,118
2027	(1,063,240)
2028	(265,570)
Thereafter:	(15,317)
	<u>\$ 1,793,723</u>

G. Implementation of New GASB Pronouncements

The GASB issued Statement No. 91, *Conduit Debt Obligations*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, for implementation in fiscal year 2023. The adoption of this standard did not have a material impact on the Town's financial statements.

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. 99, *Omnibus 2023*, 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.

TOWN OF NORTON, MASSACHUSETTS
Notes to the Financial Statements
Year Ended June 30, 2023

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, 2023

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
12/31/2022	7.279%	\$ 37,551,219	\$ 14,901,682	251.99%	61.80%
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, 2023

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
12/31/2022	\$ 3,571,602	\$ (3,571,602)	\$ -	\$ 14,901,682	23.97%
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%

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TOWN OF NORTON, MASSACHUSETTS
Required Supplementary Information
Other Post Employment Benefit Plan Schedules
For the Year Ended June 30, 2023

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Total OPEB liability			
Service cost	\$ 2,127,811	\$ 3,296,733	\$ 2,779,823
Interest on total OPEB liability	4,741,609	2,788,940	2,940,616
Changes in Benefit terms	-	-	-
Changes in Assumptions	(850,733)	(12,505,556)	7,389,578
Difference between actual and expected experience	-	5,488,294	-
Employer contributions to Trust	-	-	-
Benefit payments, including refunds of member contributions	(3,140,330)	(2,761,299)	(2,619,273)
Net change in total OPEB liability	<u>2,878,357</u>	<u>(3,692,888)</u>	<u>10,490,744</u>
Prior period adjustments	-	-	-
Total OPEB liability-beginning	<u>95,797,676</u>	<u>99,490,564</u>	<u>88,999,820</u>
Total OPEB liability-ending (a)	<u>\$ 98,676,033</u>	<u>\$ 95,797,676</u>	<u>\$ 99,490,564</u>
Plan fiduciary net position			
Net investment income	\$ 63,853	\$ (143,129)	\$ 172,193
Employer contributions to Trust	3,255,330	2,871,299	2,719,273
Benefit payments, including refunds of member contributions	(3,140,330)	(2,761,299)	(2,619,273)
Net change in plan fiduciary net position	<u>178,853</u>	<u>(33,129)</u>	<u>272,193</u>
Prior period adjustments	-	-	-
Total fiduciary net position-beginning	<u>862,173</u>	<u>895,302</u>	<u>623,109</u>
Total fiduciary net position-ending (b)	<u>\$ 1,041,026</u>	<u>\$ 862,173</u>	<u>\$ 895,302</u>
Town's net OPEB liability (a-b)	<u>\$ 97,635,007</u>	<u>\$ 94,935,503</u>	<u>\$ 98,595,262</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, 2023

Schedule of Changes in the Net OPEB Liability:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability			
Service cost	\$ 2,696,277	\$ 2,527,204	\$ 2,387,415
Interest on total OPEB liability	2,585,726	2,656,499	2,263,117
Changes in Benefit terms	-	-	-
Changes in Assumptions	10,049,801	5,643,141	-
Difference between actual and expected experience	(1,946,716)	-	3,558,805
Employer contributions to Trust	-	-	-
Benefit payments, including refunds of member contributions	<u>(2,479,749)</u>	<u>(2,071,229)</u>	<u>(1,759,835)</u>
Net change in total OPEB liability	10,905,339	8,755,615	6,449,502
Prior period adjustments	-	(256,050)	611,648
Total OPEB liability-beginning	<u>78,094,481</u>	<u>69,594,916</u>	<u>62,533,766</u>
Total OPEB liability-ending (a)	<u>\$ 88,999,820</u>	<u>\$ 78,094,481</u>	<u>\$ 69,594,916</u>
Plan fiduciary net position			
Net investment income	\$ 13,881	\$ 30,801	\$ 20,627
Employer contributions to Trust	2,574,749	2,161,229	1,839,835
Benefit payments, including refunds of member contributions	<u>(2,479,749)</u>	<u>(2,071,229)</u>	<u>(1,759,835)</u>
Net change in plan fiduciary net position	108,881	120,801	100,627
Prior period adjustments	-	101,815	-
Total fiduciary net position-beginning	<u>514,228</u>	<u>291,612</u>	<u>190,985</u>
Total fiduciary net position-ending (b)	<u>\$ 623,109</u>	<u>\$ 514,228</u>	<u>\$ 291,612</u>
Town's net OPEB liability (a-b)	<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, 2023

Schedule of Net OPEB Liability:

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Total OPEB liability	\$ 98,676,033	\$ 95,797,676	99,490,564
Less: Plan fiduciary net position	<u>(1,041,026)</u>	<u>(862,173)</u>	<u>(895,302)</u>
Town's Net OPEB liability	<u>\$ 97,635,007</u>	<u>\$ 94,935,503</u>	<u>\$ 98,595,262</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.05%	0.90%	0.90%
Town's share of covered employee payroll	\$ 38,352,889	\$ 37,235,815	\$ 33,323,631
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	254.57%	254.96%	295.87%

Schedule of Contributions:

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarially determined contribution	\$ 6,359,442	\$ 7,380,658	\$ 5,951,840
Less: Contributions in relation to the actuarially determined contribution	<u>(3,255,330)</u>	<u>(2,871,299)</u>	<u>(2,719,273)</u>
Contribution deficiency (excess)	<u>\$ 3,104,112</u>	<u>\$ 4,509,359</u>	<u>\$ 3,232,567</u>
Town's share of covered employee payroll	\$ 38,352,889	\$ 37,235,815	\$ 33,323,631
Contributions percentage of covered-employee payroll	8.49%	7.71%	8.16%
Annual money-weighted rate of return net of investment expense	7.41%	-14.89%	26.01%

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, 2023

Schedule of Net OPEB Liability:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB liability	\$ 88,999,820	\$ 78,094,481	\$ 69,594,916
Less: Plan fiduciary net position	<u>(623,109)</u>	<u>(514,228)</u>	<u>(291,612)</u>
Town's Net OPEB liability	<u>\$ 88,376,711</u>	<u>\$ 77,580,253</u>	<u>\$ 69,303,304</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.70%	0.66%	0.42%
Town's share of covered employee payroll	\$ 32,353,040	\$ 31,198,445	\$ 30,289,752
Participating employer net OPEB liability (asset) as a percentage of covered-employee payroll	273.16%	248.67%	228.80%

Schedule of Contributions:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 7,205,562	\$ 6,485,617	\$ 5,615,319
Less: Contributions in relation to the actuarially determined contribution	<u>(2,574,749)</u>	<u>(2,161,229)</u>	<u>(2,140,896)</u>
Contribution deficiency (excess)	<u>\$ 4,630,813</u>	<u>\$ 4,324,388</u>	<u>\$ 3,474,423</u>
Town's share of covered employee payroll	\$ 32,353,040	\$ 31,198,445	\$ 30,289,752
Contributions percentage of covered-employee payroll	7.96%	6.93%	7.07%
Annual money-weighted rate of return net of investment expense	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, 2023

Schedule of Funding Progress:

Measurement Date	Other Post Employment Benefits					
	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)
6/30/2023	\$ 1,041,026	\$ 98,676,033	\$ 97,635,007	1.05%	\$ 38,352,889	254.57%
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, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
Special Revenue:					
Federal and State Grants:					
School Grants	\$ 18,818	\$ 2,320,626	\$ 2,226,095	\$ (2)	\$ 113,347
American Rescue Plan Act Grant	434	(434)	-	-	-
Arts Lottery Council Grant	18,569	13,728	14,333	-	17,964
Conservation Grants	6,105	-	-	-	6,105
Council on Aging Grants	15,044	74,673	69,815	-	19,902
Emergency Management Grants (Covid)	16,639	-	1,975	-	14,664
Extended Polling Hours	3,993	-	-	-	3,993
Green Community Grant	43,330	-	-	-	43,330
Highway Grants	26,302	1,077,861	1,085,878	-	18,285
Library Grants	-	40,994	40,994	-	-
Other Grants and Programs	13,034	-	2,766	(8,058)	2,210
Planning Grants	9,278	35,039	42,279	-	2,038
Public Safety Grants	31,864	464,674	463,616	-	32,922
Schools:					
School Lunch Program	488,520	1,466,302	1,289,327	-	665,495
School Lunch Commodities	-	86,131	86,131	-	-
School Choice	1,441,058	1,402,549	1,358,422	-	1,485,185
School Revolving Accounts	539,517	1,040,923	975,539	-	604,901
School Student Activity Funds	173,175	254,707	243,404	-	184,478
State Special Education Reimbursement	627,478	1,455,569	1,408,030	-	675,017
Other:					
Ambulance Fund	3,862,258	1,665,657	-	(794,601)	4,733,314
Board of Health Review Fees	-	10,000	10,000	-	-
Camp Edith	982	-	-	-	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 78	\$ 7,339,437	\$ 11,408,999	\$ 9,318,604	\$ (802,661)	\$ 8,627,171

TOWN OF NORTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
Continued from Page 78	\$ 7,339,437	\$ 11,408,999	\$ 9,318,604	\$ (802,661)	\$ 8,627,171
Other (continued):					
Conservation Outside Consultant Fees	13,435	17,521	19,431	-	11,525
Conservation Bond Release	40	-	-	-	40
Council on Aging Revolving	7,933	6,232	8,114	-	6,051
Deputy Collector Fees	353	42,802	42,689	-	466
Dog Funds	107,710	16,508	-	(10,000)	114,218
Forestry Revolving	1,412	-	-	-	1,412
Gifts and Donations	457,208	92,840	113,515	10,000	446,533
Hazardous Materials Revolving	5,754	-	5,754	-	-
Insurance Reimbursement	194,692	62,319	217,721	(12,411)	26,879
Jackson Property Fees	44,375	4,076	-	-	48,451
Law Enforcement Fund	32,526	14,188	9,225	-	37,489
Parks and Recreation Revolving	34,744	28,274	18,456	-	44,562
Planning Board Review Fund	94,707	12,365	39,013	-	68,059
Police Restitution	75	-	-	-	75
Premium on Sale of Bonds	210,904	-	133,040	136,551	214,415
Public Safety Outside Detail Funds	-	1,017,647	1,017,647	-	-
Recycling Revolving	5,924	11,065	10,898	-	6,091
Septic Program Funds	802,320	33,272	5,795	(35,000)	794,797
Transportation Network Surcharge	8,693	2,520	-	-	11,213
Wetlands Protection Fund	18,270	13,390	3,803	(3,000)	24,857
Zoning Board of Appeals Outside Consultant Fees	8,459	13	-	-	8,472
Conservation Fund	2,019	1	-	-	2,020
Sale of Pines Fund	18,577	6	-	-	18,583
War Memorial Fund	466	-	-	-	466
Total Special Revenue Funds	\$ 9,410,033	\$ 12,784,038	\$ 10,963,705	\$ (716,521)	\$ 10,513,845

**TOWN OF NORTON, MASSACHUSETTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Fund Balances July 1, 2022	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balances June 30, 2023
Capital Projects:					
Camp Edith Read property acquisition	\$ (54,436)	\$ -	\$ -	\$ 54,436	\$ -
Dam improvements	54,710	-	-	-	54,710
Departmental equipment and vehicles	-	-	145,513	145,513	-
LED Street Lights	(154,455)	-	7,937	74,746	(87,646)
New Town Hall construction	3,434,552	-	1,334,848	-	2,099,704
Norton Rail Trail	17,794	-	19,627	15,000	13,167
Other projects	25,030	-	-	-	25,030
Other Schools' projects	13,304	-	-	-	13,304
Rail Trail land easements	-	-	466,651	700,000	233,349
Senior/Community Center	2,120,330	50,000	1,105,073	4,250,000	5,315,257
Town Hall improvements	19,530	-	1,600	-	17,930
Town Hall/Senior Center property acquisition	(1,800,000)	-	-	1,800,000	-
Water Shed plan	(123,995)	-	163,294	622,380	335,091
Total Capital Projects Fund	3,552,364	50,000	3,244,543	7,662,075	8,019,896
Perpetual Permanent Funds:					
Cemetery Funds	313,850	16,600	-	-	330,450
Library Fund	2,000	-	-	-	2,000
Wetherell Athletic Fund	10,000	-	-	-	10,000
Total Perpetual Permanent Funds	325,850	16,600	-	-	342,450
Permanent Funds:					
Cemetery Funds	118,149	95	52,534	193,365	259,075
Library Fund	7	49	50	-	6
Wetherell Athletic Fund	264	3	-	-	267
Total Permanent Funds	118,420	147	52,584	193,365	259,348
Total - Non-Major Governmental Funds	\$ 13,406,667	\$ 12,850,785	\$ 14,260,832	\$ 7,138,919	\$ 19,135,539