

**ANNUAL CONTINUING DISCLOSURE FILING**

**For**

**TOWN OF ORANGE, MASSACHUSETTS**

**Consists of**

**Final Official Statement for \$9,797,450 General Obligation Bond Anticipation Notes**

**Dated December 18, 2024**

**And**

**Unaudited Balance Sheet and Schedule A**

**As of June 30, 2024**

**FINAL OFFICIAL STATEMENT**  
**Dated: December 4, 2024**

**TOWN OF ORANGE**  
**MASSACHUSETTS**

**\$9,797,450**

**GENERAL OBLIGATION BOND ANTICIPATION NOTES**

**DATED**  
December 18, 2024

**DUUE**  
December 18, 2025

<b><u>Number</u></b>	<b><u>Denominations</u></b>	<b><u>Interest Rate</u></b>	<b><u>Price or Yield</u></b>
1	\$9,797,450	4.000%	2.700%

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**Fidelity Capital Markets**

*The provisions of the accompanying document, entitled “NOTICE OF SALE AND PRELIMINARY OFFICIAL STATEMENT” dated November 21, 2024, as supplemented and modified hereby, are incorporated in and made a part of the Final Official Statement.*

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## **NOTICE OF SALE AND PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 21, 2024**

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Notes will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Notes will be included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See “Tax Exemption” herein. The Notes will **NOT** be designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

**\$9,797,450**  
**TOWN OF ORANGE**  
**MASSACHUSETTS**  
**GENERAL OBLIGATION BOND ANTICIPATION NOTES**

**Dated: December 18, 2024**

**Due: December 18, 2025**

The Notes are offered without the option of prior redemption. The principal of and interest on the Notes will be payable at maturity in federal reserve funds by U.S. Bank Trust Company, National Association, in Boston, Massachusetts, or its successor as Paying Agent. Bidders may elect to denominate the Notes as physical registered securities or as “Book-Entry Only” securities to be held by the Depository Trust Company (“DTC”) or its custodial agent, subject to the approval of the Town.

The legality of the Notes will be approved by Locke Lord LLP, Boston, Massachusetts, Bond Counsel to the Town. UniBank Fiscal Advisory Services, Inc., Whitinsville, Massachusetts serves as Municipal Advisor to the Town. It is expected that the Notes will be delivered to DTC, or the offices of its custodial agent, or to the registered owner if a fully registered Note is requested by the Purchaser and approved by the Town, against payment to the account of the Town in federal reserve funds on or about December 18, 2024.

**Electronic Bids Via i-Deal®**  
**or**  
**Email Bids Received**  
**at [treasurer@townoforange.org](mailto:treasurer@townoforange.org)**  
**Until 11:00 a.m. (Eastern Standard Time)**  
**on**  
**Wednesday, December 4, 2024**



## ISSUE SUMMARY STATEMENT

Issuer:	Town of Orange, Massachusetts
Date of Sale:	Wednesday, December 4, 2024 at 11:00 a.m. (Eastern Standard Time)
Method of Sale:	Electronic Bids Via i-Deal® or Email Bids at <a href="mailto:treasurer@townoforange.org">treasurer@townoforange.org</a> (Refer to Appendix C Bid Form)
Issue:	\$9,797,450 General Obligation Bond Anticipation Notes
Purpose:	Financing the cost of construction of a new elementary school (See <b><u>"AUTHORIZATION AND USE OF PROCEEDS"</u></b> herein.)
Dated Date of Notes:	December 18, 2024
Maturity Date of Notes:	December 18, 2025
Interest Calculation:	30/360 (360/360)
Credit Rating:	S&P Global Ratings: _____ (See <b><u>"RATING"</u></b> herein.)
Security:	The Notes are valid and binding general obligations of the Town of Orange, Massachusetts and, except to the extent they are paid from the proceeds of bonds in anticipation of which they are issued or from any other available moneys, the principal of and interest on the Notes are payable from taxes which may be levied upon all taxable property in the Town without limit as to rate or amount, except as provided under Chapter 44, Section 20 of the General Laws.
Basis of Award:	Lowest net interest cost (NIC) after the subtraction of any premium offered.
Minimum Bid:	<b><u>The minimum par amount to be bid on at a single rate of interest on the Notes is \$1,000,000.</u></b> No bid of less than par <b><u>plus a premium of not less than \$36,740.44 (\$3.75 per \$1,000 par amount)</u></b> and accrued interest to date of delivery, if any, will be considered.
Tax Exemption:	Refer to <u>Tax Exemption</u> herein.
Significant Events:	Refer to <u>Disclosure of Significant Events</u> herein.
Bank Qualification:	The Notes will <b><u>NOT</u></b> be “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Paying Agent:	U.S. Bank Trust Company, National Association, Boston, Massachusetts, or its successor.
Legal Opinion:	Locke Lord LLP, Boston, Massachusetts.
Delivery and Payment:	It is expected that the Notes will be delivered to The Depository Trust Company, or the offices of its custodial agent, or to the registered owner if a fully registered Note is requested by the Purchaser, against payment to the account of the Town in federal reserve funds on or about December 18, 2024.

Issue Contacts: Amber Robidoux, Treasurer, Town of Orange  
Telephone (978) 544-1100, x105  
David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc.,  
Whitinsville, MA  
Telephone (508) 849-4222  
Richard A. Manley, Jr., Esq. Locke Lord LLP, Boston, MA  
Telephone (617) 239-0384

Additional Information: Refer to the Preliminary Official Statement dated November 21, 2024.

## NOTICE OF SALE

**\$9,797,450**  
**TOWN OF ORANGE**  
**MASSACHUSETTS**  
**GENERAL OBLIGATION BOND ANTICIPATION NOTES**

The Town of Orange, Massachusetts, will receive Electronic Bids via i-Deal® or email bids at [treasurer@townoforange.org](mailto:treasurer@townoforange.org) until 11:00 a.m. (Eastern Standard Time) on

**December 4, 2024**

for the purchase of \$9,797,450 General Obligation Bond Anticipation Notes dated December 18, 2024 (the “Notes”). The Notes, in book-entry or registered form, will mature December 18, 2025 and interest will be payable at maturity and will be calculated on a 30-day month, 360-day year basis. Both principal and interest will be payable in federal reserve funds to DTC by U.S. Bank Trust Company, National Association, in Boston, Massachusetts or its successor as Paying Agent, unless the successful bidder requests a physical registered note certificate and the Town approves such request.

The Notes will be issued either by means of a book-entry system evidencing ownership in principal amounts of \$1,000 or integral multiples thereof, except for one principal amount of \$1,450, and transfer of the Notes on the records of DTC and its Participants, or as a fully registered Note certificate if such option is selected by the successful bidder and approved by the Town.

A successful bidder for all of the Notes may request that the Notes be issued in the form of one fully registered physical certificate, rather than in book-entry form through the facilities of DTC. The successful bidder seeking the issuance of the Notes in this manner shall bear any and all costs of any re-registration or transfer of Notes from time to time. Any bidder seeking to have the Notes issued in the form of a fully registered physical certificate, rather than in book-entry form, shall indicate this preference to the Town at the time of the submission of the successful bid. The Town reserves the right to decline any request to issue the Notes in non-book entry form if it should determine, in its sole discretion that issuing the Notes in this manner is not in its best interests.

### **Bank Qualification**

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

### **Form of Bid and Basis of Award**

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

Bids may be for all or part of the Notes at a single or various rates of interest in a multiple of one-eighth (1/8) or one-hundredth (1/100) of one percent (1%). No bid of less than par **plus a premium of not less than \$3.75 per \$1,000 par amount** (\$36,740.44, if the whole issue is bid), plus accrued interest to the date of delivery will be considered. **The minimum amount to be bid on at a single rate of interest on the Notes is \$1,000,000.**

The Notes will be awarded on the basis of the lowest net interest cost to the Town after the subtraction of any premium offered. In the event a bidder offering a premium for the Notes is awarded a lesser amount of Notes than bid, the premium will be reduced proportionately. The award of the Notes to the winning bidder will not be effective until the bid has been approved by the Town Treasurer and the Board of Selectmen. In the event that two or more bidders submit the lowest net interest cost for the Notes, the Town Treasurer shall determine the winning bidder by lot from among such proposals.

## **Legal Opinion**

A successful bidder for the Notes will be furnished the opinion of Locke Lord LLP, of Boston, Massachusetts, approving the legality of the Notes. The opinion will also indicate that the Notes and the enforceability thereof may be subject to bankruptcy and other laws affecting creditor's rights and that their enforceability may also be subject to the exercise of judicial discretion in appropriate cases. The Notes will be valid and binding general obligations of the Town of Orange and, except to the extent they are paid from the proceeds of bonds in anticipation of which they are issued or from any other available moneys, the principal of and interest on the Notes are payable from taxes which may be levied upon all taxable property in the Town, without limit as to rate or amount, except as provided under Chapter 44, Section 20, of the General Laws.

## **Documents to be Delivered at Closing**

The following applies to each successful bidder with respect to the portion of the Notes awarded to such successful bidder.

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

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

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

**Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.** Unless a bidder notifies the Town prior to submitting its bid by email at [treasurer@townoforange.org](mailto:treasurer@townoforange.org) or email to the Municipal Advisor ([david.eisenthal@unibank.com](mailto:david.eisenthal@unibank.com)) or in its bid submitted via Parity, that it will not be an "underwriter" (as defined below) of the Notes, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds. Unless the bidder has notified the Town that it will not be an "underwriter" (as defined below) of the Notes, in submitting a bid, each bidder is deemed to acknowledge that it is an "underwriter" that intends to reoffer the Notes to the public.

In the event that the competitive sale requirements are not satisfied, the Town shall so advise the successful bidder.

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

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to Notes or all of the Notes are sold to the public, the successful bidder agrees to promptly report to the Municipal Advisor the prices at which the unsold Notes have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied for the Notes or until all the Notes have been sold. The successful bidder shall be obligated to report each sale of Notes to the Municipal Advisor until notified in writing by the Town or the Municipal Advisor that it no longer needs to do so.

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

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

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

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

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

It shall be a condition to the obligation of the successful bidder of the Notes to accept delivery of and pay for the Notes that it shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord LLP, (b) a certificate in form satisfactory to said firm dated as of the date of delivery of the Notes and receipt of payment therefor to the effect that there is no litigation pending or, to the knowledge of the signers thereof, threatened affecting the validity of the Notes or the power of the Town to levy and collect taxes to pay them, (c) a certificate of the Treasurer to the effect that, to the best of her knowledge and belief, both the Preliminary Official Statement as of its date and as of the date of sale and the Final Official Statement as of its date and as of the date of delivery of such Notes, did not and do not contain any untrue statement of a material fact and did not and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (d) a Significant Events Disclosure Certificate in the form described in the Preliminary Official Statement.

## **CUSIP Identification Numbers**

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

## **Significant Events Disclosure**

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

## **Delivery**

The Notes will be delivered to The Depository Trust Company, or the offices of its custodial agent, against payment to the account of the Town in federal reserve funds on or about December 18, 2024.

## **Additional Information and Copies of the Official Statement**

Any questions regarding this Notice of Sale or the Preliminary Official Statement should be directed to David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc., Whitinsville, Massachusetts at (508) 849-4222 or Amber Robidoux, Town Treasurer, at (978) 544-1100, x105. This Preliminary Official Statement is deemed final by the Town except for the omission of the reoffering prices, interest rates, and any other terms of the Notes depending on such matters and the identity of the underwriters. Within seven business days following the award of the Notes and receipt of necessary information from the successful bidder, up to 10 copies of the Final Official Statement will be made available to the successful bidder or bidders. Upon request, additional copies will be provided at the expense of the successful bidder.

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

## **TOWN OF ORANGE Massachusetts**

/s/ Amber Robidoux  
Treasurer

Dated: November 21, 2024

**[Use if Competitive Sale Requirements Are Met]****\$9,797,450****Town of Orange, Massachusetts****General Obligation Bond Anticipation Notes dated December 18, 2024****ISSUE PRICE CERTIFICATE AND RECEIPT**

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

**1) Reasonably Expected Initial Offering Prices.**

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

**2) Defined Terms.**

- (a) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is December 4, 2024.
- (d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Successful Bidder’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP

in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: December \_\_\_, 2024

[SUCCESSFUL BIDDER]

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDEULE A**  
**EXPECTED OFFERING PRICES**  
**(To be attached)**

**SCHEDEULE B**  
**COPY OF SUCCESSFUL BIDDER'S BID**  
**(To be attached)**

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

**\$9,797,450**

**Town of Orange, Massachusetts**

**General Obligation Bond Anticipation Notes dated December 18, 2024**

**ISSUE PRICE CERTIFICATE AND RECEIPT**

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

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

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

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

2. **Defined Terms.**

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

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax

Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Notes.

Dated: December 18, 2024

[SUCCESSFUL BIDDER]

By: \_\_\_\_\_  
Name:  
Title:

**Schedule A**

**Sale Prices  
(To be Attached)**

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

**Town of Orange, Massachusetts**  
**\$9,797,450 General Obligation Bond Anticipation Notes dated December 18, 2024**

**ISSUE PRICE CERTIFICATE AND RECEIPT**

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

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

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

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

**2. Defined Terms.**

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

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

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

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

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

Dated: December 18, 2024

[SUCCESSFUL BIDDER]

By: \_\_\_\_\_

Name:

Title:

**SCHEDULE A -SALE PRICES**

**(To be Attached)**

## **OFFICIAL STATEMENT**

**\$9,797,450  
TOWN OF ORANGE  
MASSACHUSETTS  
GENERAL OBLIGATION BOND ANTICIPATION NOTES**

### **INTRODUCTION**

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Orange, Massachusetts (the “Town” or “Orange”) in connection with the issuance of \$9,797,450 General Obligation Bond Anticipation Notes, (the “Notes”) of the Town.

The Notes are being offered for sale at a public bidding and a Notice of Sale dated November 21, 2024 has been furnished to prospective bidders. Reference is hereby made to the Notice of Sale for the terms and conditions of bidding.

The Notes will be general obligations of the Town for which its full faith and credit are pledged. They are not guaranteed by The Commonwealth of Massachusetts (the “Commonwealth”) or any other entity. Payment of the principal of and interest on the Notes is not limited to a particular fund or revenue source. The security for the Notes is more fully described under the caption Security and Remedies herein.

Questions regarding information contained in this Official Statement or other matters should be directed to the following: Amber Robidoux, Treasurer, Town of Orange, Massachusetts, Telephone (978) 544-1100, x105 or David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc., (508) 849-4222.

The information set forth herein has been obtained from the Town and from other sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. Any statements made in this Preliminary Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale of the Notes described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the Town of Orange since the date hereof.

## PART I

### THE NOTES

#### DESCRIPTION OF THE NOTES

The Notes will be dated December 18, 2024 and will mature on December 18, 2025 with interest at the rate or rates determined upon their sale payable at maturity. The Notes will be issued in principal amounts of \$1,000 or integral multiples thereof, except for one principal amount of \$1,450, with transfer of the Notes on the records of The Depository Trust Company (“DTC”) and its Participants unless the delivery of a registered Note in the aggregate principal amount is requested by the successful bidder and approved by the Town.

Interest will be computed on a 30/360 day year basis (360/360). The Notes will be issued without the option of prior redemption. Both principal and interest will be payable to DTC by U.S. Bank Trust Company, National Association, in Boston, Massachusetts, or its successor as Paying Agent in the case of a physical registered note certificate.

#### AUTHORIZATION AND USE OF PROCEEDS

The Notes are authorized under Chapter 70B of the Massachusetts General Laws, as amended, and votes of the Town passed on October 26, 2017 (Article 11), June 15, 2020 (Article 22) and June 22, 2020 (Ballot Question) for the purpose of constructing a new elementary school. Total authorization for the project is \$57,697,704. The Massachusetts School Building Authority (“MSBA”) has approved a grant with a maximum of \$34,620,720 for eligible costs of this project. As of this date, the Town has received \$31,174,704 of this amount. The Town has \$10,000,000 notes outstanding for this purpose that mature on December 19, 2024. These notes will be paid with proceeds of the Notes and \$202,550 in MSBA grants. The principal amount of Note proceeds may be transferred or re-appropriated to other capital projects or otherwise as permitted by Chapter 44 of the General Laws and applicable Federal tax law.

At its meeting on November 9, 2022, the Municipal Finance Oversight Board of The Commonwealth of Massachusetts approved the issuance of state qualified bonds under Chapter 44A of the Massachusetts General Laws, as amended, to permanently finance the Notes or any successor notes issued to finance this project.

#### Debt service on the Notes and the bonds in anticipation of which the Notes are being issued, has been excluded from the limits of Proposition 2½. See “**TAX LIMITATIONS**” herein.

The Town anticipates that the Notes will be retired at maturity from proceeds from the sale of the long-term bonds in anticipation of which the Notes are issued, proceeds from the sale of renewal bond anticipation notes, available funds of the Town, or a combination of such sources. The ability of the Town to retire the Notes from the proceeds of the sale of either renewal notes or long-term bonds will be dependent on the marketability of such notes or long-term bonds under market conditions prevailing at the time they are offered for sale, which are subject to change due to factors beyond the control of the Town.

#### SECURITY AND REMEDIES

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

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

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

**No Lien.** Except for taxes on the increased value of certain property in designated development districts which may be pledged for the payment of debt service on bonds issued to finance economic development projects within such districts, no provision is made for a lien on any portion of the tax levy or any other moneys to secure particular bonds or notes or bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit. (See "DEBT LIMITS" below.) Upon certification by the city solicitor or town council that no appeal can or will be taken, or as otherwise required by a municipality's charter, ordinances, or by-laws, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made. Any such payments shall be reported to the city or town's assessors by the city or town's auditor or accountant (or other officer having similar duties). The assessors shall include amounts of such payments in the aggregate appropriations assessed in the determination of the next subsequent annual tax rate.

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

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

**State Distributions.** State grants and distributions may in some circumstances be unavailable to pay general obligation bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on "qualified bonds" and any other sums due and payable by the city or town to The Commonwealth of Massachusetts (the "Commonwealth") or certain other public entities, including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority (the "MBTA") or a regional transit authority) of which it is a member, for costs of the Massachusetts Water Resource Authority (the "Authority") if the city or town is within the territory served by the Authority, for any debt service due on obligations issued to the Massachusetts School Building Authority, or for charges necessary to meet obligations under the Commonwealth's Clean Water or Drinking Water Revolving Loan Programs, including such charges imposed by another

local governmental unit that provides wastewater treatment or collection services or drinking water treatment services to the city or town.

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

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

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

## **OPINION OF BOND COUNSEL**

A successful bidder for the Notes will be furnished a copy of the opinion of Locke Lord LLP, of Boston, Massachusetts, approving the legality of the Notes. The opinion will be dated and given on and will speak only as of the date of original delivery. The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy of any statements made in this Official Statement other than matters expressly set forth as their opinion and they make no representation that they have independently verified the same.

## **TAX EXEMPTION**

In the opinion of Locke Lord LLP, Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Notes will not be included in computing the alternative minimum taxable income of Noteholders who are individuals. However, interest on the Notes will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Notes.

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

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. Failure to comply with these requirements may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes.

The Town has covenanted to comply with such requirements to ensure that interest on the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

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

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

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

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

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

### **Risk of Future Legislative Changes and/or Court Decisions**

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Massachusetts legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal

or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers. Additionally, Noteholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be affected and the ability of Noteholders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rate on the Notes is not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

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

## **BOOK ENTRY TRANSFER SYSTEM**

Unless the Purchaser elects to denominate the Note as a fully registered physical certificate, The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each interest rate awarded for the Notes and will be deposited with DTC.

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

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

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

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

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

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

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

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

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

## **DTC Practices**

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

## **RATING**

The Town has applied for a rating on the Notes from S&P Global Ratings. Such rating, if assigned, reflects only that rating agency's view and would be subject to revision or withdrawal which could affect the market price of the Notes.

## **DISCLOSURE OF SIGNIFICANT EVENTS**

In order to assist underwriters in complying with the requirements of paragraph (b)(5)(i)(C) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission applicable to municipal securities having a stated maturity of 18 months or less, the Town will covenant for the benefit of the owners of the Notes to file with the Municipal Securities Rulemaking Board ("MSRB") notices of the occurrence of any of the following events with respect to the Notes within ten business days of such occurrence: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (g) modifications to rights of owners of the Notes, if material; (h) bond calls, if material, and tender offers; (i) defeasances; (j) release, substitution or

sale of property securing the repayment of the Notes, if material; (k) ratings changes on the Notes; (l) bankruptcy, insolvency, receivership or similar event of the Town; (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or the change of name of a trustee, if material, (o) incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect Owners of the Notes, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

The covenant will be included in a Significant Events Disclosure Certificate to be executed by the signers of the Notes and incorporated by reference in the Notes. The sole remedy available to the owners of the Notes for the failure of the Issuer to comply with any provision of the certificate shall be an action for specific performance of the Town's obligations under the certificate and not for money damages; no other person shall have any right to enforce any provision of the certificate.

The Town did not file its audited financial statements for the fiscal year 2018 timely in accordance with the Rule under the Ralph C. Mahar Regional School District's CUSIPs. The Town filed its audited financial statements for fiscal year 2019 under the Franklin County Technical School District CUSIPs on a timely basis on March 23, 2020. (This was the first required filing for Franklin County Technical School District.) The Town did not, however, file this audit under the Ralph C. Mahar Regional School District's CUSIPs timely for fiscal year 2019 in accordance with the Rule. The Town filed annual audited financial statements for the years ending June 30, 2018 and 2019 under the Ralph C. Mahar Regional School District's CUSIPs on July 23, 2020 and filed a "failure to file" notice on the EMMA platform on that same day.

The Town recognizes its obligations under its continuing disclosure undertakings, and has taken steps to improve the timeliness of its required filings pursuant to those undertakings.

## PART II

### **TOWN OF ORANGE, MASSACHUSETTS**

The Town of Orange is located in Franklin County, in central Massachusetts approximately 70 miles west of Boston. The Town has a population of approximately 7,577 (2021 estimate) and occupies a land area of 35.4 square miles. The Town is bordered by the Town of Warwick on the northwest, the Town of Royalston on the northeast, the Town of Athol on the east, the Town of New Salem on the south, and the Towns of Wendell and Erving on the west. Incorporated as a Town in 1810, Orange is governed by a five member Board of Selectmen and an open Town Meeting.

State Route 2, the major east-west highway in the northern tier of Massachusetts, serves the Town with four interchanges. Other highways serving the Town are state Routes 2A, 78, and 122. Interstate 91 is accessible twenty miles to the west in Greenfield. The Orange Municipal Airport, which is operated by the Town, provides general aviation services, including commercial skydiving. Commercial aviation is available at Bradley International Airport in Windsor Locks, Connecticut, Logan International Airport in Boston, and Manchester Airport in Manchester, New Hampshire. Freight rail services are provided by the Boston & Maine Railroad. Commuter rail service to Boston is available on the Fitchburg line of the MBTA, less than an hour's drive to the east in Fitchburg. Commuter rail service from Springfield to Hartford, New Haven, and New York City is available through CT Rail. Intercity passenger rail service is available through Amtrak in Greenfield with connections to Vermont, Springfield, Hartford, and New York.

### **SERVICES**

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, highways and streets, a library, parks and recreation, public education in grades K through 6, water services to approximately 35% of the Town, and sewer services to approximately 50% of the Town. Public education in grades 7 to 12 is provided by the Ralph C. Mahar Regional School District, which operates the Ralph C. Mahar Regional High School, in Orange. Franklin County Technical School District provides academic and vocational education in grades 9 to 12. The Franklin Regional Transit Authority provides bus service between Orange and Greenfield as well as services to the elderly and disabled.

### **CONSTITUTIONAL STATUS AND FORM OF GOVERNMENT**

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

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

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

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

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

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

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

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

## **GOVERNING BODIES AND OFFICERS**

Local legislative decisions are made by an open town meeting consisting of all registered voters in the Town. Subject to the legislative decisions made by Town Meeting, the affairs of the Town are generally administered by a board of five selectmen, elected for staggered three-year terms on an at-large basis who are assisted by Town Administrator. Local taxes are assessed by a board of three assessors appointed for staggered three-year terms. Town elections are typically held on the first Monday in March.

The following are the principal executive officers:

<b><u>Office</u></b>	<b><u>Name</u></b>	<b><u>Manner of Selection and Term</u></b>	<b><u>Term Expires</u></b>
Selectmen	Thomas J. Smith, Chair	Elected/3 years	2026
	Patricia A. Lussier, Vice Chair	Elected/3 years	2025
	Andrew Smith, Clerk	Elected/3 years	2027
	Julie Davis, Member	Elected/3 years	2027
	Jane M. Peirce, Member	Elected/3 years	2026
Town Administrator	Matthew Fortier	Appointed	2025
Treasurer	Amber Robidoux	Appointed	2025
Tax Collector	Shana Smith	Appointed	2025
Town Clerk	Nancy Blackmer	Elected/3 years	2026
Accountant	Amber Dupell	Appointed	2025
Town Counsel	Donna MacNichol	Appointed/Indefinite	-

## **OTHER CONSIDERATIONS - Coronavirus**

COVID-19 is a respiratory disease caused by a novel coronavirus, not previously seen in humans. On March 10, 2020, the Governor of The Commonwealth of Massachusetts (the “Commonwealth”) declared a state of emergency to support the Commonwealth’s response to the outbreak of the virus. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak. The state of emergency in the Commonwealth expired on June 15, 2021, and the national emergency ended on May 11, 2023.

In response to the COVID-19 pandemic, federal and state legislation was enacted that provides various forms of financial assistance and other relief to state and local governments. Under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), the Town was eligible to receive up to \$675,717 in fiscal 2020 and fiscal 2021. The Town received reimbursement of \$9,313 in fiscal 2020 and \$475,375 in fiscal 2021.

Another action at the federal level was the American Rescue Plan Act of 2021 (“ARPA”). Among other provisions, ARPA provided \$350 billion to state and local governments to mitigate the fiscal disruptions created by the pandemic. Such funds may be used to replace revenues lost or reduced as a result of the pandemic and fund COVID-related costs, among other purposes. Although the actual amount allocable to the Town has not yet been finally determined, the Town has received \$2,395,312 in direct ARPA funds, but has not spent them all yet.

The Town does not believe that fiscal 2020 through 2024 financial results were materially affected by the pandemic.

## **CYBERSECURITY**

The Town has experienced at least one cybersecurity incident in the past. The Town has improved the procedures in place regarding cyber security as well as training for Town employees in response to the incident.

## **ENVIRONMENTAL FACTORS**

The Town received a Massachusetts Green Communities Designation in fiscal year 2018 and had an Energy Reduction Plan to reduce energy use by 20% for the municipality in 5 years. In fiscal year 2024, the renovations at Fisher Hill School and the demolition of Dexter Park School plus the renovation and upgrades at the Wastewater Treatment Plant helped energy use in town buildings decrease. In other areas all streetlights have been converted to LED lighting that shows a 39.8% decrease in energy use for streetlights. The Town’s building energy use has decreased by almost 25% for 2023-2024. With funding from the Green Communities Competitive Grant program and a Municipal Vulnerability Preparedness (MVP) Action Grant for solar and battery storage installations at Fisher Hill School along with education projects in the school and the community, energy use for municipal buildings should continue to decrease in 2025. The Orange Town Energy Committee continues to work with town officials and staff on community engagement and programming opportunities to support goals to reduce energy use by the municipality.

## **AUTHORIZATION OF GENERAL OBLIGATION BONDS AND NOTES**

Serial bonds and notes are authorized by a two-thirds vote of the town meeting. Refunding bonds and notes are authorized by the selectmen. Borrowings for some purposes require State administrative approval.

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

## **DEBT LIMITS**

**General Debt Limit.** The General Debt Limit of the Town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit for the Town is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. The present Normal Debt Limit of the Town, based on the 2022 equalized valuation, is \$35,208,520. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the Municipal Finance Oversight Board, composed of the State Treasurer, the State Auditor, the Attorney General, and the Director of Accounts.

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

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

## **TYPES OF OBLIGATIONS**

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

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

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

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

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

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

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

**Revenue Bonds.** Cities and towns may issue revenue bonds for solid waste disposal facilities, for projects financed under the Commonwealth's Water Pollution Abatement or Drinking Water Revolving Loan Programs and for certain economic development projects supported by tax increment financing. In addition to general obligation bonds and notes, cities and towns having electric departments may issue electric revenue bonds, and notes in anticipation of such bonds, subject to the approval of the State Department of Telecommunications and Energy. The Town does not have an electric department.

## DEBT <sup>(1)</sup>

The following shows the Town's direct debt outstanding as of December 18, 2024, including the Notes:

### General Obligation Bonds:

#### Within General Debt Limit <sup>(2)</sup>

Sewers and Drains <sup>(3)</sup>	\$ 158,209
Departmental Equipment	212,000
Architectural & Engineering Services	422,000
Other Building	<u>1,619,375</u>
	\$ 2,411,584

#### Outside General Debt Limit:

Sewer <sup>(3)</sup>	\$11,191,958
Water	674,815
Schools <sup>(4)</sup>	<u>15,840,000</u>
	\$27,706,773

Total

### Temporary Loans in Anticipation of:

Revenue	\$ 0
Bonds <sup>(5)</sup>	10,763,618
Grants	<u>0</u>
Total Temporary Loans	\$10,763,618
Total Direct Debt	<u>\$40,881,975</u>

<sup>(1)</sup> Principal amounts only. Excludes lease and installment purchase obligations, overlapping debt, unfunded pension liability and other post-employment benefits liability.

<sup>(2)</sup> At the present time, the normal general debt limit is \$35,208,520 and the double general debt limit is \$70,417,040.

<sup>(3)</sup> Debt service on sewer debt is self-supporting through user fees.

<sup>(4)</sup> Debt service for this purpose is excluded from the Town's Proposition 2 1/2 limits.

<sup>(5)</sup> Includes the current issue of Notes.

## AUTHORIZED UNISSUED DEBT AND PROSPECTIVE FINANCING

Following delivery of the Notes, the Town will have \$18,055,932 authorized unissued debt as follows:

Fisher Hill Elementary School	\$9,797,450
Wastewater Treatment Plant Upgrade	3,711,011
Wastewater Influent Pumps	1,500,000
Water Tower	1,000,000
Various Capital	979,471
Solar project – Fisher Hill School	843,000
Feasibility Study – Fisher Hill School	<u>225,000</u>
Total	<u>\$18,055,932</u>

\$9,797,450 authorized unissued debt is for construction of an elementary school to replace the Town's Dexter Park Elementary School. The Notes are issued against this authorization. Original authorization for the purpose is \$57,697,704. The Town issued \$15,870,000 principal amount of general obligation bonds for this purpose on March 3, 2022, which permanently financed \$16,687,016 in local share costs. The Massachusetts School Building Authority ("MSBA") has awarded a grant with a maximum amount of \$34,620,720 for the project. The Town has thus far received \$31,174,704 in MSBA grants for this project. Local share cost of the project is expected to total approximately \$23 million. **Debt service for this purpose has been excluded from the levy limits imposed by Proposition 2 1/2**. Project financing is expected to continue for at least one year. A plan for permanent financing of the remaining local share has not been determined with certainty.

The Town closed a \$10,000,000 loan for the wastewater treatment plant upgrade from the United States Department of Agriculture (“USDA”) in August 2023. The remaining authorization is expected to be reduced by grants from USDA. The Town has received \$2,909,928.21 so far in USDA grants.

The timing and financing sources for the Wastewater Influent Pumps (\$1,500,000) and the Water Tower (\$1,000,000) authorizations are uncertain but debt service for the respective purposes is expected to be supported in the first instance from revenues of the Town’s sewer and water enterprises.

\$979,471 is authorized for various capital equipment and renovation projects. The Town currently has \$966,168 bond anticipation notes outstanding for these purposes. The Town has been financing many capital expenditures through the issuance and repayment of short-term debt, rather than through the issuance of permanent bonds. The Town may continue this practice.

\$843,000 is authorized for installation of a solar array on the roof of the new Fisher Hill School. Financing plans are not yet firm for this project, but may include a combination of borrowing, grants, and tax credits authorized under the federal Inflation Reduction Act.

## **REVENUE ANTICIPATION BORROWING**

The Town has not borrowed in anticipation of revenue within the past five years.

## **FIVE YEARS OUTSTANDING DEBT**<sup>(1)</sup>

	<b>As of June 30:</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<i>Within the General Debt Limit:</i>					
Buildings	\$ 1,642,374	\$ 1,632,738	\$ 1,727,178	\$ 1,818,545	\$ 1,906,959
Departmental Equipment	279,253	110,000	165,000	220,000	275,000
School Other	30,007	0	0	0	0
Sewer	176,139	193,689	210,865	227,675	244,128
Other Inside	452,564	460,000	595,000	0	0
<b>Total Within General Debt Limit</b>	<b><u>\$ 2,580,338</u></b>	<b><u>\$ 2,396,426</u></b>	<b><u>\$ 2,698,043</u></b>	<b><u>\$ 2,266,221</u></b>	<b><u>\$ 2,426,087</u></b>
<i>Outside the General Debt Limit:</i>					
School Buildings	\$ 15,840,000	\$ 15,855,000	\$ 15,870,000	\$ 0	\$ 0
Sewer	11,395,076	243,584	253,328	263,072	272,816
Water	674,815	0	0	0	0
<b>Total Outside General Debt Limit</b>	<b><u>\$ 27,909,891</u></b>	<b><u>\$ 16,098,584</u></b>	<b><u>\$ 16,123,328</u></b>	<b><u>\$ 263,072</u></b>	<b><u>\$ 272,816</u></b>
<b>Total Long Term Indebtedness</b>	<b><u>\$ 30,490,229</u></b>	<b><u>\$ 18,495,010</u></b>	<b><u>\$ 18,821,371</u></b>	<b><u>\$ 2,529,293</u></b>	<b><u>\$ 2,698,903</u></b>
Debt As a Percentage of Assessed Value (2)	3.69%	2.48%	2.84%	0.41%	0.47%
Debt As a Percentage of Equalized Value (3)	4.33%	2.63%	3.03%	0.41%	0.51%
Per Capita Debt Using 2020 Census	\$ 4,028	\$ 2,444	\$ 2,487	\$ 334	\$ 357
Per Capita Debt as a percentage of per capita income	13.59%	8.24%	8.39%	1.13%	1.20%
Assessed Value(\$000)	\$ 826,709	\$ 746,702	\$ 663,205	\$ 610,311	\$ 574,336
Equalized Value(\$000)	\$ 704,170	\$ 704,170	\$ 620,933	\$ 620,933	\$ 534,083
2020 Census Population	7,569	7,569	7,569	7,569	7,569
Per Capita Income (4)	\$ 29,640	\$ 29,640	\$ 29,640	\$ 29,640	\$ 29,640

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

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

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

(4) Source: Per Capita Income from U.S. Census Bureau. Used 2018-22 average, 2022 dollars.

Annual Debt Service<sup>(1)(2)</sup>

Outstanding 12/18/2024

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>	<u>Principal</u> <u>Retired</u>
2025	\$ 594,852	\$ 390,912	\$ 985,764	2.3
2026	1,132,693	892,377	2,025,071	7.1
2027	1,113,751	846,627	1,960,377	11.8
2028	1,124,090	801,264	1,925,354	16.3
2029	1,134,185	756,148	1,890,334	20.8
2030	1,063,637	711,567	1,775,204	25.0
2031	1,074,820	669,088	1,743,908	29.1
2032	1,008,151	626,297	1,634,448	33.0
2033	1,016,423	592,990	1,609,414	36.8
2034	1,009,103	558,742	1,567,844	40.5
2035	1,012,817	524,770	1,537,587	44.1
2036	1,021,745	496,987	1,518,732	47.7
2037	1,030,471	469,410	1,499,881	51.3
2038	1,040,259	440,774	1,481,033	54.8
2039	1,049,866	412,323	1,462,189	58.3
2040	1,059,713	383,637	1,443,350	61.7
2041	1,069,444	355,068	1,424,513	65.0
2042	1,075,139	325,542	1,400,680	68.4
2043	1,085,740	297,031	1,382,771	71.6
2044	1,096,606	268,258	1,364,864	74.9
2045	993,281	238,739	1,232,020	77.8
2046	1,002,504	210,652	1,213,156	80.6
2047	1,011,676	182,616	1,194,292	83.5
2048	1,021,073	154,339	1,175,412	86.3
2049	947,118	126,032	1,073,150	88.8
2050	954,498	100,352	1,054,850	91.3
2051	696,819	74,731	771,550	93.1
2052	359,295	56,905	416,200	94.1
2053	366,795	49,405	416,200	95.1
2054	374,724	41,476	416,200	96.1
2055	382,687	33,513	416,200	97.1
2056	390,819	25,381	416,200	98.0
2057	399,078	17,122	416,200	99.0
2058	404,485	8,595	413,081	<u>100.0</u> %
Total	<u>\$ 30,118,357</u>	<u>\$ 12,139,672</u>	<u>\$ 42,258,028</u>	

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

(2) **Debt service on \$15,840,000 principal amount is excluded from the Town's Proposition 2½ limits.** Debt service on \$12,024,982 principal is expected to be supported in the first instance by sewer enterprise revenues.

## **CONTRACTS**

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

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

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities. The Town does not have an electric light department.

Cities and towns are authorized to lease (as lessee) off-street parking facilities, school buildings, hospital equipment, data process equipment, energy conservation equipment and educational equipment for periods ranging up to 10 years. They may also lease equipment, with option to purchase, for a period up to 10 years. Contracts may also be made for the installment purchase of energy conservation equipment over a period up to 10 years. Cities and towns may also lease various properties as lessor. The Town has not entered into any lease or installment purchase contracts of a substantial nature.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The Town's only significant contractual obligation is for school bus transportation for the Orange Public Schools (grades K-6). This contract with Swift River Bus Company expires on June 30, 2026. The fiscal 2024 expenditure for this purpose was \$485,100. The fiscal 2025 appropriation is \$522,000.

## **OVERLAPPING DEBT**

The following table sets forth the portion of overlapping debt relating to the Town <sup>(1)</sup>:

	<u>Outstanding</u>	<u>Authorized Unissued</u>	<b>Assessments for Operations and Debt Service Fiscal Year 2025</b>
Ralph C. Mahar Regional School District <sup>(2)</sup>	\$175,000	\$0	\$5,246,895
Franklin County Technical School District <sup>(3)</sup>	\$1,350,000	\$0	626,317
Franklin Regional Transit Authority <sup>(4)</sup>	\$0	\$0	43,904

<sup>(1)</sup> Principal amounts only. Excludes temporary loans in anticipation of revenue. Omits debt of the Commonwealth.

<sup>(2)</sup> Debt as of December 18, 2024. Cities and towns may organize regional school districts to carry out general or specialized educational functions. The operating expenses and debt service of regional school districts are apportioned among the member municipalities in accordance with the agreements establishing the district. The municipal share is based on the ratio of that member's pupil enrollment to the total pupil enrollment from all the member municipalities in the regional school district as of October 1 of the year proceeding the year which the apportionment is being determined. The other members of the District are the Towns of New Salem, Petersham, and Wendell.

<sup>(3)</sup> Debt as of December 18, 2024. Cities and towns may organize regional school districts to carry out general or specialized educational functions. The operating expenses and debt service of regional school districts are apportioned among the member municipalities in accordance with the agreements establishing the district. The municipal share is based on the ratio of that member's pupil enrollment to the total pupil enrollment from all the member municipalities in the regional school district as of October 1 of the year proceeding the year which the apportionment is being determined. The other members of the District are the City of Greenfield and the Towns of Bernardston, Buckland, Colrain, Conway, Deerfield, Erving, Gill, Heath, Leyden, Montague, New Salem, Northfield, Shelburne, Sunderland, Warwick, Wendell, and Whately.

<sup>(4)</sup> Debt as of December 18, 2024. The other members of the Authority are the City of Greenfield and the Towns of Ashfield, Bernardston, Blandford, Buckland, Charlemont, Chester, Chesterfield, Colrain, Conway, Cummington, Deerfield, Erving, Gill, Goshen, Granville, Hatfield, Hawley, Heath, Huntington, Leyden, Middlefield, Montague, Montgomery, New Salem, Northfield, Petersham, Phillipston, Plainfield, Rowe, Russell, Shelburne, Shutesbury, Southampton, Southwick, Warwick, Wendell, Westhampton, Whately, and Worthington.

## **RETIREMENT PLAN**

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

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

If a city or town, or each member city and town of a county retirement system, has accepted the applicable law, it is required to annually appropriate an amount sufficient to pay not only its current pension obligations, but also a portion of its future pension liability. The portion of each such annual payment allocable to future pension obligations is required to be deposited in the pension reserve fund. The amount of the annual city or town appropriation for each such system is prescribed by a retirement system funding schedule which is periodically reviewed and approved by PERAC. A system (other than the state employees' retirement system and the teachers' retirement system) which conducts an actuarial valuation as of January 1, 2009, or later, may establish a revised schedule which reduces the unfunded actuarial liability to zero by not later than June 30, 2040, subject to certain conditions. If the schedule is so extended under such provisions and a later updated valuation allows for the development of a revised schedule with reduced payments, the revised schedule shall be adjusted to provide that the appropriation for each year shall not be less than that for such year under the prior schedule, thus providing for a shorter schedule rather than reduced payments.

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

Cost-of-living increases for each local retirement system may be granted and funded only by the local system, and only if it has established a funding schedule. Those statutory provisions are subject to acceptance by the local retirement board and approval by the local legislative body, which acceptance may not be revoked.

The Town participates in the Franklin Regional Retirement System, which is partially funded by employee contributions. The Town meets its share of retirement systems costs on a pay-as-you-go basis by contribution annually the amounts determined by the State commissioner of Public Employee Retirement. Such amounts are legal obligations of the Town and are required to be included in its annual tax levy. The retirement system covers substantially all municipal employees except school teachers, whose pensions are paid by the Commonwealth. The annual required contributions of the Town to the retirement system for the current and most recent fiscal years are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2025 (budget)	\$1,233,312
2024 (unaudited)	1,152,968
2023	1,083,835
2022	1,008,777
2021	944,486
2020	925,592

As of January 1, 2022 (the date of the last actuarial valuation report), assuming an 7.25% discount rate, the total pension benefit obligation for the Franklin Regional Retirement System was \$235,181,218 and the actuarial value of plan assets as of January 1, 2022 was \$184,250,822, leaving an unfunded actuarial accrued liability of \$50,930,396, a funding percentage of 78.3%. Based on the Town's percentage of the total fiscal 2023 assessment to the System, the Town's share of this liability is approximately \$6,799,223. The System is scheduled to be fully funded by the end of fiscal 2034.

The following is a projection of payments required by the System (Source: KMS Actuaries LLC).

<u>Fiscal Year Ending</u>	<u>Employer Normal Cost</u>	<u>Amortization Payment of UAL</u>	<u>Net 3(8)(c) Transfers</u>	<u>Total Employer Cost</u>	<u>Increase over Prior Year</u>	<u>Unfunded Actuarial Accrued Liability</u>
2023	\$3,112,910	\$4,157,176	\$1,000,000	\$8,270,086	5.94%	\$50,930,396
2024	3,232,416	4,528,914	1,000,000	8,761,330	5.94	50,391,643
2025	3,337,469	4,944,283	1,000,000	9,281,752	5.94	49,435,474
2026	3,445,936	5,387,152	1,000,000	9,833,088	5.94	47,987,216
2027	3,557,930	5,859,244	1,000,000	10,417,174	5.94	45,983,204
2028	3,673,562	6,362,392	1,000,000	11,035,954	5.94	43,353,402
2029	3,792,954	6,898,536	1,000,000	11,691,490	5.94	40,020,831
2030	3,916,225	7,469,739	1,000,000	12,385,964	5.94	35,900,957
2031	4,043,501	8,078,189	1,000,000	13,121,690	5.94	30,901,017
2032	4,174,915	8,726,204	1,000,000	13,901,119	5.94	24,919,296
2033	4,310,599	9,416,246	1,000,000	14,726,845	5.94	17,844,346
2034	4,450,693	10,067,524	1,000,000	15,518,217	5.37	9,554,131
2035	4,595,341	-	1,000,000	5,595,341	-63.94	-

The foregoing data do not include the retirement system costs or liabilities attributable to employees of the county or the retirement system costs or liabilities of any other entity of which the Town is a constituent part.

## **OTHER POST-EMPLOYMENT BENEFITS**

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities and towns is generally provided on a pay-as-you-go basis. The Governmental Accounting Standards Board (“GASB”) promulgated accounting standards that require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding the payment of these costs as the liability for such costs accrues, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if the cost of such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Cities and towns that choose to self-insure all or a portion of the cost of the health care benefits they provide to employees and retirees may establish a trust fund for the purpose of paying claims. In addition, cities and towns may establish a trust fund for the purpose of pre-funding other post-employment benefits liability in the same manner as traditional pension benefits. As of June 30, 2022, the Town had 187 active employees and 169 inactive employees or beneficiaries receiving such benefits.

The Town adopted GASB 74 and 75 for fiscal year ending June 30, 2018, which introduces a new actuarial cost method and discount rate as well as new disclosure and methodologies for reporting plan liability and OPEB expenses. As of June 30, 2023, the total and net OPEB liability for such post-employment benefits was \$31,258,452 (the fiduciary net position was \$0) using a discount rate of 4.09%. During the fiscal year ending June 30, 2023, the Town’s total OPEB liability increased from \$30,043,048 to \$31,258,452. During fiscal 2024, the Town created an OPEB Trust Fund. The Town transferred \$25,000 into this fund.

## **PROPERTY TAXATION AND VALUATION**

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

Related statutes provide that certain agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property.

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

### **VALUATIONS (3)**

	<b>Fiscal Year Ending June 30: (\$000)</b>				
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Real Property (1)	\$ 885,160	\$ 787,233	\$ 713,117	\$ 635,826	\$ 581,434
Personal Property (1)	42,814	39,476	33,585	27,379	28,876
Total Assessed Value	<u>\$ 927,974</u>	<u>\$ 826,709</u>	<u>\$ 746,702</u>	<u>\$ 663,205</u>	<u>\$ 610,311</u>
Equalized Value (2)	\$ 876,477	\$ 704,170	\$ 704,170	\$ 620,933	\$ 620,933
Percent of Total Assessed Value to Equalized Value	105.88%	117.40%	106.04%	106.81%	98.29%

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

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

*(3) Fiscal Year 2025 information is extracted from the Town's DRAFT Tax Rate Recapitulation Report and are subject to change.*

**Fiscal Year Ending June 30: (\$000)**

	<b>2025<sup>(2)</sup></b>		<b>2024</b>		<b>2023</b>	
	<b>Valuation</b>	<b>% of Total</b>	<b>Valuation</b>	<b>% of Total</b>	<b>Valuation</b>	<b>% of Total</b>
Residential	\$ 766,615	82.61%	\$ 673,154	81.43%	\$ 603,893	80.87%
Open Space	0	0.00%	0	0.00%	0	0.00%
Commercial	69,285	7.47%	67,819	8.20%	68,763	9.21%
Industrial	49,260	5.31%	46,260	5.60%	40,460	5.42%
Personal	<u>42,814</u>	<u>4.61%</u>	<u>39,476</u>	<u>4.78%</u>	<u>33,585</u>	<u>4.50%</u>
Total	\$ 927,974	100.00%	\$ 826,709	100.00%	\$ 746,702	100.00%

(1) Source: Massachusetts Department of Revenue.

(2) Fiscal Year 2025 information is extracted from the Town's DRAFT Tax Rate Recapitulation Report and are subject to change.

**TAX RATES<sup>(1)(3)</sup>**

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

<b>Fiscal Year</b>	<b>Residential</b>	<b>Open Space</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Personal Property</b>	<b>Average Tax Rate</b>	<b>Full Value Tax Rate (2)</b>
2025	16.81	0.00	16.81	16.81	16.81	16.81	17.80
2024	17.44	0.00	17.44	17.44	17.44	17.44	20.47
2023	17.96	0.00	17.96	17.96	17.96	17.96	19.05
2022	19.12	0.00	19.12	19.12	19.12	19.12	20.42
2021	20.05	0.00	20.05	20.05	20.05	20.05	19.71

(1) Source: Massachusetts Department of Revenue.

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

(3) Fiscal Year 2025 tax rates are extracted from the Town's DRAFT Tax Rate Recapitulation Report and are subject to change.

**LARGEST TAXPAYERS<sup>(1)</sup>**

The following shows the ten largest taxpayers for fiscal 2024:

<b>Name</b>	<b>Nature of Business</b>	<b>Fiscal 2024 Assessed Valuation</b>	<b>Amount of Tax</b>	<b>% of Levy</b>
Seaman Paper Company	Storage	\$ 11,588,700	\$ 202,107	1.4
Orange Distribution	Logistics	8,289,150	144,563	1.0
King Pine CT RHF Housing Inc.	Apartments	8,179,900	142,657	1.0
Walmart Re Business Trust	Retailer	7,570,900	132,037	0.9
Tire Barns Realty Trust	Retail	5,809,800	101,323	0.7
Chance Plaza LLC	Retail	3,742,900	65,276	0.5
Leisure Woods Estates Inc.	Mobile Home Park	3,416,500	59,584	0.4
Jash USA Inc.	Manufacturer	3,331,100	58,094	0.4
Hunt Family Trust	Farm	3,067,904	53,504	0.4
Power Fund, Real Estate LLC	Real Estate	<u>2,142,100</u>	<u>37,358</u>	<u>0.3</u>
<b>Total</b>		<b><u>\$ 57,138,954</u></b>	<b><u>\$ 996,503</u></b>	<b><u>6.9%</u></b>

(1) All these taxpayers are current on payment of real estate and personal property taxes to the Town.

## **TAX LEVIES**

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

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

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

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

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

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

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

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

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

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

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

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculations of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voters, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations. **In addition to the Notes, the Town has \$15,840,000 outstanding long-term debt that is excluded from the limitations of Proposition 2 ½.**

It should be noted that Massachusetts General Laws Chapter 44, Section 20 requires that the taxes excluded from the levy limit to pay debt service on any such bonds and notes be calculated based on the true interest cost of the issue. Accordingly, the Department of Revenue limits the amount of taxes which may be levied in each year to pay debt service on any such bonds and notes to the amount of such debt service, less a pro rata portion of any original issue premium received by the city or town that was not applied to pay costs of issuance.

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

In addition, Proposition 2½ limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the Massachusetts Water Resources Authority, and certain districts for which special legislation provides otherwise) to the sum of (a) 2.50 percent of the prior year's assessments and (b) “any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option”. Regional water districts, regional sewerage districts and regional veteran districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district's governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under the statute any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

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

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

## CALCULATION OF TAX LEVIES AND TAX LIMITS<sup>(1)(2)</sup>

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

	<b>Fiscal Year Ending June 30: (\$000)</b>				
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Gross Amount to be Raised</b>					
Appropriations	\$ 30,643	\$ 30,070	\$ 27,636	\$ 24,427	\$ 23,256
Other Local Expenditures	364	93	62	61	108
State and County Charges	469	561	561	469	530
Overlay Reserve	<u>175</u>	<u>143</u>	<u>102</u>	<u>66</u>	<u>122</u>
<b>Total Amount to be Raised</b>	<b><u>\$ 31,651</u></b>	<b><u>\$ 30,866</u></b>	<b><u>\$ 28,361</u></b>	<b><u>\$ 25,023</u></b>	<b><u>\$ 24,016</u></b>
<b>Less Estimated Receipts From:</b>					
State	9,202	9,064	8,427	7,476	7,435
Local	5,682	6,330	4,944	4,354	3,704
<b>Available Funds Appropriated:</b>					
Free Cash	914	907	1,310	300	522
Other Available Funds	251	147	269	213	118
Free Cash & Other Revenue Used to Reduce the Tax Rate	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Estimated Receipts and Revenue</b>	<b><u>16,049</u></b>	<b><u>16,448</u></b>	<b><u>14,950</u></b>	<b><u>12,343</u></b>	<b><u>11,779</u></b>
<b>Net Amount to be Raised (Tax Levy)</b>	<b><u>\$ 15,602</u></b>	<b><u>\$ 14,418</u></b>	<b><u>\$ 13,411</u></b>	<b><u>\$ 12,680</u></b>	<b><u>\$ 12,237</u></b>

*(1) Source: Massachusetts Department of Revenue.*

*(2) Fiscal Year 2025 information is extracted from the Town's DRAFT Tax Rate Recapitulation Report and are subject to change.*

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

	<b>Fiscal Year Ending June 30: (\$000)</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Primary Levy Limit (1)	\$ 20,668	\$ 18,668	\$ 16,580	\$ 15,258	\$ 14,358
Prior Fiscal Year Levy Limit	12,936	12,410	12,073	11,511	11,152
2.5% Levy Growth	323	310	302	288	279
New Growth (2)	130	216	35	274	80
Overrides	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Growth Levy Limit	13,390	12,936	12,410	12,073	11,511
Current Fiscal Year Debt Exclusions	1,035	855	275	167	170
Capital Expenditure Exclusion	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tax Levy Limit	14,425	13,792	12,686	12,240	11,681
Tax Levy	14,418	13,411	12,680	12,237	11,676
Unused Levy Capacity (3)	<u>7</u>	<u>381</u>	<u>6</u>	<u>3</u>	<u>5</u>
Unused Primary Levy Capacity (4)	<u><u>\$ 7,278</u></u>	<u><u>\$ 5,731</u></u>	<u><u>\$ 4,170</u></u>	<u><u>\$ 3,185</u></u>	<u><u>\$ 2,847</u></u>

(1) 2.5% of assessed valuation

(2) Allowed increase for new valuations - certified by Department of Revenue

(3) Tax Levy Limit less Tax Levy

(4) Primary Levy Limit less Growth Levy Limit

## **TAX COLLECTIONS AND ABATEMENTS**

**Payment Dates.** The taxes for each fiscal year generally are due in two installments on November 1 (subject to deferral if tax bills are sent out late) and May 1, unless a city or town accepts a statute providing for quarterly tax payments. Under the statute, preliminary tax payments are to be due on August 1 and November 1 with payment of the actual tax bill (after credit is given for the preliminary payments) in installments on February 1 and May 1 if actual tax bills are mailed by December 31. The Town voted to implement quarterly tax billing as of July 1, 1991. Interest accrues on delinquent taxes at the rate of 14 per cent per annum.

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

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

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

The following shows the total tax levy, the reserve for abatements, the net levy and the amounts collected during each fiscal year.

	<b>Fiscal Year Ending June 30: (\$000)</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total Tax Levy	\$ 14,418	\$ 13,411	\$ 12,680	\$ 12,237	\$ 11,676
Overlay Reserve for Abatements	143	102	66	122	119
Net Tax Levy (1)	<u>\$ 14,275</u>	<u>\$ 13,309</u>	<u>\$ 12,614</u>	<u>\$ 12,115</u>	<u>\$ 11,557</u>
Amount Collected					
During Fiscal Year Payable (2)	\$ 13,699	\$ 12,755	\$ 11,949	\$ 11,946	\$ 10,923
Percent of Net Tax Levy	95.96%	95.84%	94.73%	98.61%	94.51%

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

(2) Actual collections of levy less refunds and amounts refundable. Includes proceeds of tax titles and tax possessions attributed to levy but not including abatements or other credits.

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

Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue. But uncollected real property taxes are ordinarily not written off until they become

municipal “tax titles” by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of the tax and charging surplus.

The following shows the abatements granted during the most recent fiscal years:

	<b>Fiscal Year Ending June 30: (\$000)</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total Tax Levy	\$ 14,418	\$ 13,411	\$ 12,680	\$ 12,237	\$ 11,676
Overlay Reserve for Abatements	\$ 143	\$ 102	\$ 66	\$ 122	\$ 119
Percent of Tax Levy	0.99%	0.76%	0.52%	1.00%	1.02%
Abatements Granted:					
During Fiscal Year of Levy	\$ 181	\$ 79	\$ 69	\$ 69	\$ 94

*(1) Source: Massachusetts Department of Revenue.*

## **TOWN FINANCES**

### **Budget and Appropriation Process**

The annual appropriations of the Town are ordinarily made at the annual meeting which takes place in June. Appropriations may also be voted at special meetings. Every town must have an appropriation, advisory or finance committee. The Finance Committee (or the Board of Selectmen if authorized by by-law or if there is no committee) is required to submit a budget of proposed expenditures at the annual Town meeting.

Under certain circumstances and subject to certain limits and requirements, the city council of a city, upon the recommendation of the mayor, may transfer amounts appropriated for the use of one department (except for a municipal light department or a school department) to another appropriation for the same department or for the use of any other department. In a town, town meeting may at any time vote to transfer any amount previously appropriated to any other authorized use by law, and, under certain circumstances and subject to certain limits and requirements, the selectmen of a town, with the concurrence of the finance committee, may transfer amounts appropriated for the use of any department to any other appropriation for the same department or to any other department.

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

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

## **BUDGET COMPARISON**

The following table sets forth adopted budgets for fiscal years 2021 through 2025:

	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
General Government	\$ 1,151,404	\$ 1,228,312	\$ 1,284,165	\$ 1,008,151	\$ 935,122
Public Safety	3,440,350	3,549,610	3,077,129	2,893,252	2,603,904
Public Works	1,698,540	1,933,982	1,644,024	1,535,269	1,322,868
Human Services	224,700	274,647	254,977	252,811	250,973
Culture & Recreation	375,300	378,985	364,530	353,103	346,522
Education	14,527,113	13,951,399	13,120,032	12,172,725	11,818,018
Debt Service	1,780,551	1,690,428	1,420,960	743,928	682,421
Other	<u>4,211,468</u>	<u>3,907,105</u>	<u>3,745,847</u>	<u>3,663,205</u>	<u>3,715,716</u>
Grand Total	<u>\$27,409,426</u>	<u>\$26,914,468</u>	<u>\$24,911,664</u>	<u>\$22,624,424</u>	<u>\$21,675,544</u>

## **STATE AID**

In addition to grants for specified capital purposes (some of which are payable over the life of the bonds issued for the projects), the Commonwealth provides financial assistance to cities and towns for current purposes. Payments to cities and towns are derived primarily from a percentage of the State's personal income, sales and use and corporate excise tax receipts, together with the net receipts from the State Lottery. A municipality's state aid entitlement is based on a number of different formulas, of which the "schools" and "lottery" formulas are the most important. Both of the major formulas tend to provide more state aid to poorer communities. None of the programs have a termination date under existing law, and while a formula might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid, but the actual state aid payments may vary from the estimate.

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

The following table sets forth the amount of state aid to the Town in recent years as well as the amount budgeted for 2025:

<b><u>Fiscal</u></b>	<b><u>Total</u></b>
<b><u>Year</u></b>	<b><u>State Aid</u></b>
2025 (budget)	\$9,169,973
2024 (unaudited)	9,025,766
2023	8,372,304
2022	7,475,972
2021	7,343,051
2020	7,323,586

## **MOTOR VEHICLE EXCISE**

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

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

<b>Fiscal Year</b>	<b>Motor Excise Taxes</b>
2025 (budget)	\$905,304
2024 (unaudited)	942,853
2023	772,034
2022	890,646
2021	853,794
2020	821,611

## **COMMUNITY PRESERVATION ACT**

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

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

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

The amounts raised by the surcharge on taxes, the dedication of revenue and received in state matching funds are required to be deposited in a dedicated community preservation fund. Each city or town that accepts the provisions of the CPA is required to establish a community preservation committee to study the community preservation needs of the community

and to make recommendations to the legislative body of the city or town regarding the community preservation projects that should be funded from the community preservation fund. Upon the recommendations of the committee, the legislative body of the city or town may appropriate amounts from the fund for permitted community preservation purposes or may reserve amounts for spending in future fiscal years, provided that at least 10% of the total annual revenues to the fund must be spent or set aside for open space purposes, 10% for historic resource purposes and 10% for affordable housing purposes.

The CPA authorizes cities and towns that accept its provisions to issue bonds and notes in anticipation of the receipt of surcharge and dedicated revenues to finance community preservation projects approved under the provisions of the CPA. Bonds and notes issued under the CPA are general obligations of the city or town and are payable from amounts on deposit in the community preservation fund. In the event that a city or town revokes its acceptance of the provisions of the CPA, the surcharge shall remain in effect until all contractual obligations incurred by the city or town prior to such revocation, including the payment of bonds or notes issued under the CPA, have been fully discharged.

The Town has not accepted the provisions of the CPA.

### **OTHER TAXES**

Four additional sources of revenue for local governments are the room occupancy excise tax, local meals excise tax, and the aviation fuel tax, and the recreational marijuana excise tax. All taxes take effect only where accepted by individual municipalities.

Under the room occupancy excise tax, local governments may tax the provision of hotel, motel, or lodging house rooms at a rate not to exceed six percent of the cost of renting such rooms. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the municipality in which the rooms are located. The Town voted to impose the room occupancy excise tax effective in fiscal year 2013.

The following are collections of the room occupancy tax in the most recent fiscal years:

<b><u>Fiscal Year</u></b>	<b><u>Balance</u></b>
2025 (budget)	\$81,994
2024 (unaudited)	84,087
2023	40,557
2022	35,677
2021	20,351
2020	27,446

The local meals excise tax, effective for sales of restaurant meals on or after October 1, 2009, is a three-fourths percent tax on the gross receipts of a vendor from the sale of restaurant meals. The tax is paid by the vendor to the State Commissioner of Revenue, who in turn pays the tax to the municipality in which the meal was sold. The Town voted to adopt the meals tax effective in fiscal year 2011.

The following are collections of the meals tax in the most recent fiscal years.

<b><u>Fiscal Year</u></b>	<b><u>Balance</u></b>
2025 (budget)	\$50,000
2024 (unaudited)	54,765
2023	59,185
2022	50,402
2021	39,950
2020	44,643

Under the marijuana tax, local governments may tax the sale and transfer of marijuana or marijuana products by a marijuana retailer operating within its territorial limits to anyone other than a marijuana establishment, at a rate not in excess of three percent of the total sale price received by the marijuana retailer as a consideration for the sale of marijuana or marijuana projects. The Town has accepted the recreational marijuana excise tax effective in fiscal 2019. The Town received its first revenue from this source in fiscal 2021. In fiscal 2021, the Town received \$48,160 in impact fees and \$61,847 in cannabis sales tax revenue. In fiscal 2022, the Town received \$82,073 in impact fees and \$73,417 in cannabis sales tax revenue. In fiscal 2023, the Town received \$52,187 in impact fees and \$75,865 in cannabis sales tax revenue. Beginning in fiscal 2022, revenues from these taxes are deposited in the Town's new Community Development Stabilization Fund. (See "**STABILIZATION FUND**" herein.)

### **TAX INCREMENT FINANCING FOR DEVELOPMENT DISTRICTS**

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

### **UNASSIGNED GENERAL FUND BALANCE AND FREE CASH**

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

The following shows the unassigned general fund balance and free cash for the most recent fiscal years:

<b><u>July 1,</u></b>	<b><u>Unassigned General Fund Balance</u></b> (1)	<b><u>Free Cash</u></b>
2023	\$3,372,303	\$1,180,082
2022	3,704,332	1,259,679
2021	3,083,147	1,548,886
2020	2,036,102	741,159
2019	1,216,172	692,739

(1) *Includes Stabilization Funds.*

## **STABILIZATION FUND**

The Town maintains three Stabilization Funds; a General Stabilization Fund, a Capital Stabilization Fund, and a Community Development Stabilization Fund. The latter fund was created at the beginning of fiscal 2022. Under Massachusetts statutes, funds may be appropriated from Stabilization Funds for any municipal purpose by a two-thirds vote of the town meeting. The Stabilization Funds are accounted as “Unassigned” fund balance in the General Fund.

The following is the balance in the general stabilization fund at the end of the most recent fiscal years:

<b><u>Fiscal Year</u></b>	<b><u>Balance</u></b>
2024 (unaudited)	\$452,510
2023	441,681
2022	265,027
2021	258,454
2020	203,530
2019	234,516

The following is the balance in the capital stabilization fund at the end of the most recent fiscal years:

<b><u>Fiscal Year</u></b>	<b><u>Balance</u></b>
2024 (unaudited)	\$129,147
2023	201,495
2022	332,335
2021	314,985
2020	309,247
2019	351,876

The following is the balance in the Community Development Stabilization Fund as of the end of the most recent fiscal years:

<b><u>Fiscal Year</u></b>	<b><u>Balance</u></b>
2024 (unaudited)	\$ 65,054
2023	127,827
2022	69,317

## **INVESTMENTS**

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, section 55. That statute permits investments of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government of 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 of SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

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

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

## **COLLECTIVE BARGAINING**

City and town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. The Town currently has approximately 171 full and part-time employees, of which approximately 77% percent belong to unions or other collective bargaining groups as follows:

<b><u>Department</u></b>	<b><u>Number of People</u></b>	<b><u>Contract Expires</u></b>
School (Teachers)	46	June 30, 2026
School (Custodians & Maintenance)	4	June 30, 2026
School (Staff)	54	June 30, 2026
School (Nurses)	1	June 30, 2026
Town (Town Hall, Highway, Dispatch)	31	June 30, 2026
Police	11	June 30, 2026

## **PHYSICAL AND ECONOMIC CHARACTERISTICS**

The Town is located in Franklin County, in central Massachusetts approximately 70 miles west of Boston. The Town has a population of approximately 7,577 (2021 estimate).and occupies a land area of 35.4 square miles. The Town is bordered by the Town of Warwick on the northwest, the Town of Royalston on the northeast, the Town of Athol on the east, the Town of New Salem on the south, and the Towns of Wendell and Erving on the west. Incorporated as a Town in 1810, Orange is governed by a five member Board of Selectmen and an open Town Meeting.

State Route 2, the major east-west highway in the northern tier of Massachusetts, serves the Town with four interchanges. Other highways serving the Town are state Routes 2A, 78, and 122. Interstate 91 is accessible twenty miles to the west in Greenfield. The Orange Municipal Airport, which is operated by the Town, provides general aviation services, including commercial skydiving. Commercial aviation is available at Bradley International Airport in Windsor Locks, Connecticut, Logan International Airport in Boston, and Manchester Airport in Manchester, New Hampshire. Freight rail services are provided by the Boston & Maine Railroad. Commuter rail service to Boston is available on the Fitchburg line of the MBTA, less than an hour to the east in Fitchburg. Commuter rail service from Springfield to Hartford, New Haven, and New York City is available through CT Rail. Intercity passenger rail service is available through Amtrak in Greenfield with connections to Vermont, Springfield, Hartford, and New York.

## **PRINCIPAL EMPLOYERS**

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

<b><u>Company</u></b>	<b><u>Nature of Business</u></b>	<b><u>Approximate Current Employees</u></b>
Walmart Super Center	Retail	100-249
MBW, Inc.	Paper Manufacturing	100-249
Ralph C. Mahar Regional School Dist.	Regional School District	100-249

*(1) Source: The Town and Infogroup, Inc., 2024.*

## EMPLOYMENT BY INDUSTRY

Industry	Establishments	Average Employment	Average Weekly Wage (\$)
Total, All Industries	322	1,834	930
Construction	13	39	980
Manufacturing	13	281	1,130
Wholesale Trade	7	34	1,374
Retail Trade	25	384	887
Information	4	22	1,279
Finance and Insurance	3	23	1,287
Real Estate and Rental and Leasing	5	8	932
Professional and Technical Services	8	37	954
Administrative and Waste Services	6	43	942
Educational Services	7	276	1,105
Health Care and Social Assistance	186	330	766
Accommodation and Food Services	13	169	439
Other Services, Except Public Administration	13	48	550
Public Administration	7	89	1,165

Source: Mass. Dept of Economic Research, Executive Office of Labor and Workforce Development, 2023 Data

## EMPLOYMENT

Year	Labor Force	Employed	Unemployment Rate			
			Town	County	State	U.S.
2024 (1)	3,649	3,498	4.1 %	2.7 %	3.8 %	4.1 %
2023	3,562	3,416	4.1	2.9	3.4	3.6
2022	3,562	3,408	4.3	3.3	3.7	3.6
2021	3,553	3,339	6.0	4.7	5.5	5.3
2020	3,578	3,245	9.3	7.9	9.4	8.1
2019	3,638	3,507	3.6	2.8	3.0	3.7

(1) Month of September, not seasonally adjusted for Town and County.

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

## OTHER DATA

	<b>Orange</b>	<b>Massachusetts</b>	<b>United States</b>
Recent Population Estimate (2023)	7,558	7,001,399	334,914,895
Census Population:			
2020	7,569	7,029,917	331,449,281
2010	7,839	6,547,629	308,745,538
2000	7,518	6,349,097	281,421,906
1990	7,312	6,016,425	248,709,873
Inter-Census Population Growth:			
2020	-3.44%	7.37%	7.35%
2010	4.27%	3.13%	9.71%
2000	2.82%	5.53%	13.15%
Population Per Square Mile:			
2020	216	901	94
2010	223	839	87
Median Age:			
2022	42.8	40.3	39.0
Persons under 18 years, 2022	21.1%	19.2%	21.7%
Persons over 65 years, 2022	19.2%	18.1%	17.3%
Persons per Household	2.50	2.46	2.57
Annual Median Household Income:			
2018-22 Average (in 2022 dollars)	\$56,000	\$96,505	\$75,149
Annual Per Capita Income:			
2018-22 Average (in 2022 dollars)	\$29,640	\$53,513	\$41,261
Total Retail Sales Per Capita, 2017	\$11,712	\$16,055	\$15,224
Median value of owner-occupied housing units, 2018-22	\$206,900	\$483,900	\$281,900
In civilian labor force, age 16+, 2018-22	56.6%	67.0%	63.0%
High School Graduate or Higher, age 25+, 2018-22	91.0%	91.2%	89.1%
Bachelor's Degree or Higher, age 25+, 2018-22	17.0%	45.9%	34.3%
Owner-occupied housing unit rate, 2018-22	71.0%	62.4%	64.8%
Persons in Poverty (2022)	20.5%	10.4%	11.5%

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Source: U.S. Census Bureau

## **LITIGATION**

There are currently four civil cases pending in which the Town is a defendant. In the opinion of the Town there is no litigation either pending or threatened, including these matters that is considered likely to result either individually or in the aggregate, in final judgments which would materially affect the Town's financial position.

**TOWN OF ORANGE  
Massachusetts**

By: Amber Robidoux  
Treasurer

Dated: November 21, 2024

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## **APPENDIX A**

The General Fund Balance Sheets for fiscal years ended June 30, 2019 through 2023 and the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance for fiscal years ended June 30, 2019 through 2023 are extracted from the audit reports of Powers & Sullivan, LLC, Certified Public Accountants, Wakefield, Massachusetts. Audited financial statements for fiscal year 2023 are presented in Appendix B.

**TOWN OF ORANGE  
MASSACHUSETTS**  
**Balance Sheet<sup>(1)</sup>**  
**General Fund**  
**June 30,**

	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Assets:</b>					
Cash and Cash Equivalents	\$3,079,747	\$4,640,141	\$4,436,410	\$2,746,505	\$2,792,646
<b>Receivables:</b>					
Property Taxes	1,050,521	857,444	339,878	328,860	192,855
Tax Liens	1,081,122	1,245,741	1,450,080	1,351,124	1,235,406
Motor Vehicle Excises	242,206	102,543	169,900	126,408	154,274
Departmental	278,302	168,728	154,918	313,791	492,811
Special Assessments	123	4,669	9,339	14,377	20,644
Intergovernmental	56775	56,384	61,527	115,954	0
Tax foreclosures	192,700	192,700	239,304	0	192,850
Due from other funds	<u>1,977,331</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets</b>	<b><u>\$7,958,827</u></b>	<b><u>\$7,268,350</u></b>	<b><u>\$6,861,358</u></b>	<b><u>\$5,189,869</u></b>	<b><u>\$5,647,129</u></b>
<b>Liabilities:</b>					
Warrants and Accounts Payable	\$ 237,744	\$ 117,076	\$ 319,557	\$ 120,892	\$ 601,319
Accrued Payroll	824,901	598,083	657,561	496,759	547,060
Payroll withholdings	<u>157,319</u>	<u>168,478</u>	<u>102,284</u>	<u>138,055</u>	<u>154,579</u>
<b>Total Liabilities</b>	<b><u>\$1,219,964</u></b>	<b><u>\$ 883,637</u></b>	<b><u>\$1,079,402</u></b>	<b><u>\$ 755,706</u></b>	<b><u>\$1,302,958</u></b>
<b>Deferred Inflows of Resources</b>	<b>2,793,546</b>	<b>2,505,462</b>	<b>2,380,734</b>	<b>2,175,884</b>	<b>2,231,101</b>
<b>Fund Balances</b>					
Assigned	573,014	174,919	318,073	222,177	208,978
Unassigned	3,372,303	3,704,332	3,083,147	2,036,102	1,904,092
<b>Total Fund Balances</b>	<b><u>3,945,317</u></b>	<b><u>3,879,251</u></b>	<b><u>3,401,220</u></b>	<b><u>2,258,279</u></b>	<b><u>2,113,070</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$7,958,827</u></b>	<b><u>\$7,268,350</u></b>	<b><u>\$6,861,358</u></b>	<b><u>\$5,189,869</u></b>	<b><u>\$5,647,129</u></b>

*(1) Excerpts from audited financial statements.*

**TOWN OF ORANGE**  
**Statement of Revenues, Expenditures & Changes in Fund Balances**  
**General Fund<sup>(1)</sup>**  
**June 30,**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>					
Property Taxes	\$13,280,197	\$12,166,038	\$11,764,707	\$11,307,480	\$10,908,305
Tax Liens	162,066	275,365	168,844	202,133	126,831
Motor Vehicle Excise	947,641	1,050,140	975,949	893,702	872,895
Charges for Services	145,861	150,988	157,957	155,329	121,395
Penalties and interest on taxes	262,984	224,464	185,414	187,479	140,155
Payments in lieu of taxes	0	16,519	15,754	15,803	15,790
Intergovernmental – Teachers Retirement	927,284	812,605	1,754,234	1,490,325	1,254,623
Intergovernmental	8,475,063	7,490,612	7,359,378	7,360,353	7,176,289
Departmental and other	1,339,431	1,562,557	1,318,911	1,164,633	985,760
Investment Income	174,905	(22,021)	108,269	26,593	31,317
Miscellaneous	<u>95,950</u>	<u>193,602</u>	<u>111,438</u>	<u>30,892</u>	<u>95,402</u>
<b>Total Revenues</b>	<b><u>\$25,811,382</u></b>	<b><u>\$23,920,869</u></b>	<b><u>\$23,920,855</u></b>	<b><u>\$22,834,722</u></b>	<b><u>\$21,728,762</u></b>
<b>Expenditures:</b>					
General Government	1,280,769	1,148,099	986,386	958,545	880,772
Public Safety	3,106,015	2,941,382	2,646,201	2,572,862	2,480,251
Education	13,054,941	12,253,295	11,554,816	11,690,591	11,369,886
Public Works	1,627,531	1,412,429	1,187,727	1,201,088	1,463,940
Airport	171,575	160,924	145,925	162,789	176,759
Health and human services	207,083	212,104	205,978	215,601	220,514
Culture and Recreation	363,324	336,049	309,405	326,201	344,701
Pension benefits	1,939,059	1,763,281	2,645,317	2,360,239	869,222
Employee Benefits	2,335,922	2,115,004	2,138,127	2,263,868	2,100,728
State and Country Charges	603,260	586,708	511,812	562,992	581,400
Debt service:					
Principal	299,440	146,368	143,414	111,013	174,695
Interest	<u>848,116</u>	<u>193,216</u>	<u>106,121</u>	<u>100,366</u>	<u>34,832</u>
<b>Total Expenditures</b>	<b><u>\$25,837,035</u></b>	<b><u>\$23,269,399</u></b>	<b><u>\$22,581,229</u></b>	<b><u>\$22,526,155</u></b>	<b><u>\$21,952,323</u></b>
Excess of Revenues Over (Under) Expenditures	(25,653)	651,470	1,339,626	308,567	(223,561)
<b>Other Financing Sources (Uses):</b>					
Capital Lease Financing	0	0	0	0	126,554
Proceeds from sale of land	0	0	0	21,095	326,431
Transfers In	91,719	46,174	133,514	208,799	226,982
Transfers Out	0	(219,613)	(330,199)	(393,252)	(470,115)
<b>Total Other Financing</b>	<b><u>91,719</u></b>	<b><u>(173,439)</u></b>	<b><u>(196,685)</u></b>	<b><u>(163,358)</u></b>	<b><u>209,852</u></b>
Net change in fund balances	66,066	478,031	1,142,941	145,209	(13,709)
Fund balances – July 1	<u>3,879,251</u>	<u>3,401,220</u>	<u>2,258,279</u>	<u>2,113,070</u>	<u>2,126,779</u>
Fund Balances June 30	<b><u>\$3,945,317</u></b>	<b><u>\$3,879,251</u></b>	<b><u>\$3,401,220</u></b>	<b><u>\$2,258,279</u></b>	<b><u>\$2,113,070</u></b>

*(1) Excerpts from audited financial statements.*

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**APPENDIX B**

There follows in this Appendix the audited financial statements of the Town for the fiscal year ended June 30, 2023 with the report of the certified public accountants, Powers & Sullivan, LLC, of Wakefield, Massachusetts.

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**TOWN OF ORANGE, MASSACHUSETTS**

***REPORT ON EXAMINATION OF  
BASIC FINANCIAL STATEMENTS***

***YEAR ENDED JUNE 30, 2023***

**TOWN OF ORANGE, MASSACHUSETTS**

**REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**TABLE OF CONTENTS**

Independent Auditor's Report.....	B-1
Management's Discussion and Analysis .....	B-4
Basic Financial Statements .....	B-13
Statement of net position .....	B-15
Statement of activities .....	B-16
Governmental funds – balance sheet .....	B-18
Reconciliation of the governmental funds balance sheet total fund balances to the statement of net position .....	B-19
Governmental funds – statement of revenues, expenditures and changes in fund balances .....	B-20
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities.....	B-21
Proprietary funds – statement of net position .....	B-22
Proprietary funds – statement of revenues, expenses and changes in fund net position .....	B-23
Proprietary funds – statement of cash flows.....	B-24
Fiduciary funds – statement of fiduciary net position.....	B-25
Fiduciary funds – statement of changes in fiduciary net position .....	B-26
Notes to basic financial statements .....	B-27
Required Supplementary Information.....	B-59
General fund budgetary comparison schedule.....	B-61
Schedule of revenues, expenditures and changes in fund balance – general fund – budget and actual.....	B-62
Pension plan schedules .....	B-63
Schedule of the proportionate share of the net pension liability .....	B-64
Schedule of contributions .....	B-65
Schedule of the special funding amounts of the net pension liability.....	B-66
Other postemployment benefits plan schedules.....	B-67
Schedule of changes in the net OPEB liability and related ratios .....	B-68
Schedule of contributions .....	B-70
Notes to required supplementary information.....	B-71

## **Independent Auditor's Report**

To the Honorable Select Board  
Town of Orange, Massachusetts

## **Report on the Audit of the Financial Statements**

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Orange, 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 Orange, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Orange, Massachusetts, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Orange, 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 Orange, 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of the Town of Orange, 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 Orange, 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 Orange, Massachusetts' internal control over financial reporting and compliance.

*Powers & Sullivan, LLC*

March 28, 2024

## ***Management's Discussion and Analysis***

## ***Management's Discussion and Analysis***

As management of the Town of Orange, Massachusetts, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2023. We encourage readers to consider the information presented in this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Orange's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. The 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 and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent 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 periods.

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, education, public works, airport, health and human services, culture and recreation, and interest. The business-type activities include the activities of the Water and Sewer Departments.

**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 year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The Town's general fund, federal grants fund, and school capital project fund are considered major funds for presentation purposes. These major funds are presented in separate columns in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The remaining governmental funds are aggregated and shown as nonmajor governmental funds.

**Proprietary funds.** The Town maintains two types of propriety funds.

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

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses its internal service fund to account for dental insurance activities.

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

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of Orange's assets and deferred outflows exceeded liabilities and deferred inflows for governmental activities by \$29.1 million and the business-type activities assets and deferred outflows exceeded liabilities and deferred inflows by \$8.3 million at the close of the most recent year. Key components of the Town's activities presented below.

### Governmental Activities

	2023	2022
<b>Assets:</b>		
Current assets.....	\$ 22,901,201	\$ 23,145,463
Noncurrent assets (excluding capital).....	2,001,727	148,277
Capital assets, non depreciable.....	49,057,249	35,888,570
Capital assets, net of accumulated depreciation.....	27,445,456	18,465,841
<b>Total assets.....</b>	<b>101,405,633</b>	<b>77,648,151</b>
 <b>Deferred outflows of resources.....</b>	<b>5,561,252</b>	<b>5,201,828</b>
 <b>Liabilities:</b>		
Current liabilities (excluding debt).....	4,656,638	6,763,755
Noncurrent liabilities (excluding debt).....	38,490,837	32,758,840
Current debt.....	12,030,722	1,946,230
Noncurrent debt.....	18,448,140	18,830,393
<b>Total liabilities.....</b>	<b>73,626,337</b>	<b>60,299,218</b>
 <b>Deferred inflows of resources.....</b>	<b>4,270,115</b>	<b>8,309,381</b>
 <b>Net position:</b>		
Net investment in capital assets.....	51,857,208	35,751,593
Restricted.....	3,519,092	2,374,536
Unrestricted.....	(26,305,867)	(23,884,749)
<b>Total net position.....</b>	<b>\$ 29,070,433</b>	<b>\$ 14,241,380</b>

Governmental net position of \$51.9 million 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 of \$3.5 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position resulted in a \$26.3 million deficit. The primary reason for this deficit balance is the recognition of the Pension and OPEB liabilities.

	2023	2022
<b>Program Revenues:</b>		
Charges for services.....	\$ 2,210,755	\$ 2,454,581
Operating grants and contributions.....	13,456,855	10,596,279
Capital grants and contributions.....	14,135,577	13,171,070
<b>General Revenues:</b>		
Real estate and personal property taxes, net of tax refunds payable.....	13,299,323	12,610,512
Tax and other liens.....	162,066	24,422
Motor vehicle and other excise taxes.....	1,108,396	975,303
Penalties and interest on taxes.....	262,984	224,464
Payments in lieu of taxes.....	-	16,519
Grants and contributions not restricted to specific programs.....	2,019,475	1,966,229
Unrestricted investment income.....	233,691	19,254
Miscellaneous.....	95,950	193,602
<b>Total revenues.....</b>	<b>46,985,072</b>	<b>42,252,235</b>
<b>Expenses:</b>		
General government.....	3,259,634	2,426,994
Public safety.....	5,044,888	4,397,042
Education.....	18,988,977	17,488,076
Public works.....	2,698,814	2,987,452
Airport.....	375,118	654,058
Health and human services.....	380,282	317,830
Culture and recreation.....	532,035	473,875
Interest.....	740,671	211,692
<b>Total expenses.....</b>	<b>32,020,419</b>	<b>28,957,019</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>14,964,653</b>	<b>13,295,216</b>
<b>Transfers.....</b>	<b>(135,600)</b>	<b>-</b>
<b>Change in net position.....</b>	<b>14,829,053</b>	<b>13,295,216</b>
<b>Net position, beginning of year.....</b>	<b>14,241,380</b>	<b>946,164</b>
<b>Net position, end of year.....</b>	<b>\$ 29,070,433</b>	<b>\$ 14,241,380</b>

Governmental net position increased during 2023 by approximately \$14.8 million as compared to an increase of \$13.3 million in 2022. Total revenues increased \$4.7 million (11.1%) mainly due to the increase in operating grants and contributions, while expenses increased overall by \$3.1 million, mostly due to the change in the net pension and net OPEB liabilities, and increases in the general operating budget.

**Business-type Activities**

<b>Water Fund</b>	<b>2023</b>	<b>2022</b>
<b>Assets:</b>		
Current assets.....	\$ 1,518,602	\$ 1,424,977
Capital assets, non depreciable.....	190,868	53,522
Capital assets, net of accumulated depreciation.....	5,244,793	5,429,275
<b>Total assets.....</b>	<b>6,954,263</b>	<b>6,907,774</b>
 <b>Deferred outflows of resources.....</b>	<b>191,905</b>	<b>144,777</b>
 <b>Liabilities:</b>		
Current liabilities (excluding debt).....	166,611	30,363
Noncurrent liabilities (excluding debt).....	1,075,702	837,294
<b>Total liabilities.....</b>	<b>1,242,313</b>	<b>867,657</b>
 <b>Deferred inflows of resources.....</b>	<b>224,010</b>	<b>520,204</b>
 <b>Net position:</b>		
Net investment in capital assets.....	5,435,661	5,482,797
Unrestricted.....	244,184	181,893
 <b>Total net position.....</b>	<b>\$ 5,679,845</b>	<b>\$ 5,664,690</b>
 <b>Program Revenues:</b>		
Charges for services.....	\$ 782,087	\$ 696,306
 <b>General Revenues:</b>		
Investment income.....	4,395	3,545
<b>Total revenues.....</b>	<b>786,482</b>	<b>699,851</b>
 <b>Expenses:</b>		
Water.....	771,327	884,051
 <b>Change in net position.....</b>	<b>15,155</b>	<b>(184,200)</b>
 <b>Net position, beginning of year.....</b>	<b>5,664,690</b>	<b>5,848,890</b>
 <b>Net position, end of year.....</b>	<b>\$ 5,679,845</b>	<b>\$ 5,664,690</b>

Water fund net position of \$5.4 million represents investments in capital assets net of related debt. The remaining \$244,000 is available to be used for the ongoing operation of the Town's water fund.

There was an increase of approximately \$15,000 in net position compared to a decrease of approximately \$184,000 in the prior year. Total revenues increased from the prior year, and expenses decreased from changes in the pension liability and overall decreases in operating expenses.

**Sewer Fund**

	<u>2023</u>	<u>2022</u>
<b>Assets:</b>		
Current assets.....	\$ 433,526	\$ 7,063,307
Capital assets, non depreciable.....	12,955,800	3,058,904
Capital assets, net of accumulated depreciation.....	<u>4,083,411</u>	<u>2,182,562</u>
<b>Total assets.....</b>	<b>17,472,737</b>	<b>12,304,773</b>
 <b>Deferred outflows of resources.....</b>	<b>163,454</b>	<b>89,130</b>
 <b>Liabilities:</b>		
Current liabilities (excluding debt).....	3,821,466	155,243
Noncurrent liabilities (excluding debt).....	764,449	466,427
Current debt.....	57,293	8,976,920
Noncurrent debt.....	<u>10,241,354</u>	<u>437,363</u>
<b>Total liabilities.....</b>	<b>14,884,562</b>	<b>10,035,953</b>
 <b>Deferred inflows of resources.....</b>	<b>85,058</b>	<b>232,255</b>
 <b>Net position:</b>		
Net investment in capital assets.....	6,740,564	1,542,147
Unrestricted.....	<u>(4,073,993)</u>	<u>583,548</u>
 <b>Total net position.....</b>	<b>\$ 2,666,571</b>	<b>\$ 2,125,695</b>
 <b>Program Revenues:</b>		
Charges for services.....	\$ 1,410,739	\$ 1,327,547
 <b>General Revenues:</b>		
Investment income.....	300	60
<b>Total revenues.....</b>	<b>1,411,039</b>	<b>1,327,607</b>
 <b>Expenses:</b>		
Sewer.....	<u>1,005,763</u>	<u>789,940</u>
<b>Total expenses.....</b>	<b>1,005,763</b>	<b>789,940</b>
 <b>Excess (Deficiency) before transfers.....</b>	<b>405,276</b>	<b>537,667</b>
 <b>Transfers.....</b>	<b>135,600</b>	<b>-</b>
 <b>Change in net position.....</b>	<b>540,876</b>	<b>537,667</b>
 <b>Net position, beginning of year.....</b>	<b>2,125,695</b>	<b>1,588,028</b>
 <b>Net position, end of year.....</b>	<b>\$ 2,666,571</b>	<b>\$ 2,125,695</b>

Sewer fund net position of \$6.7 million represent investments in capital assets net of related debt. The remaining balance of unrestricted net position resulted in a \$4.1 million deficit.

There was an increase of \$541,000 in net position compared to an increase of \$538,000 in the prior year, mainly due to an increase in charges for services over budget and a transfer in.

## ***Financial Analysis of the Governmental Funds***

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

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

As of the end of the current year, governmental funds reported combined ending fund balances of approximately \$2.6 million, a decrease of approximately \$9.3 million from the prior year. This decrease is due to the fact that capital project expenditures have not yet been permanently financed and the timing of the receipt and expenditure of grant related funds.

The general fund is the chief operating fund. At the end of the current year, the unassigned fund balance of the general fund was \$3.4 million, while total fund balance was \$3.9 million.

The federal grant fund is used to account for all federal grants used for Town and School related costs. The fund has current year revenues of \$3.4 million and expenditures of \$3.5 million, leaving a fund balance of \$536,000.

The school capital project fund is used to account for the acquisition or construction of school facilities. The fund has current year revenues of \$12.3 million from the Massachusetts School Building Authority and expenditures of \$21.0 million, leaving a fund balance deficit of \$3.1 million. This deficit will be funded with future bond proceeds.

The nonmajor funds experienced a decrease of \$544,000, which was due to timing differences between the receipt and expenditure of grant funds and permanent financing of capital projects.

## ***General Fund Budgetary Highlights***

The Town of Orange adopts an annual appropriated budget for its general fund. The original budget appropriated \$26.2 million in expenditures and other financing uses. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. Actual revenues were higher than budgeted amounts by approximately \$215,000, or 1%. Actual expenditures, including carryovers, were less than budgeted amounts by approximately \$697,000, or 2.8%.

## ***Capital Asset and Debt Administration***

In conjunction with the operating budget, the Town annually prepares capital budgets for the upcoming year. Major capital additions during the year relate to sewer infrastructure upgrades, school building upgrades, airport improvements, vehicles, and equipment. Total additions for the Governmental and Business-type Activities amounted to \$23.9 million and \$12.1 million, respectively.

Outstanding long-term debt of the general government, as of June 30, 2023, totaled \$18.8 million, of which approximately \$15.9 million is related to the Fisher school project, \$1.1 million is related to the construction of a new fire station, \$527,000 is for energy conservation, \$139,000 is a state house note for equipment, and \$460,000 is for road design, and includes capitalized premiums of \$773,000.

In addition, the Sewer enterprise fund has approximately \$10.3 of outstanding long-term debt related to funding various sewer projects, including sewer plant upgrades.

Please refer to the notes to the financial statements for further discussion of the major capital and debt activity.

***Requests for Information***

This financial report is designed to provide a general overview of the Town of Orange'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 Office of the Town Accountant at 6 Prospect Street, Orange, MA 01364.

# ***Basic Financial Statements***

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**STATEMENT OF NET POSITION**

JUNE 30, 2023

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
	<hr/>		
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 13,635,526	\$ 1,293,622	14,929,148
Investments.....	1,997,810	-	1,997,810
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,050,521	-	1,050,521
Tax liens.....	1,081,122	-	1,081,122
Motor vehicle and other excise taxes.....	242,206	-	242,206
User charges.....	-	658,506	658,506
Departmental and other.....	278,302	-	278,302
Intergovernmental.....	2,422,360	-	2,422,360
Special assessments.....	123	-	123
Tax foreclosures.....	192,700	-	192,700
Working capital deposit.....	23,200	-	23,200
Internal balances.....	<u>1,977,331</u>	<u>(1,977,331)</u>	<u>-</u>
Total current assets.....	<u>22,901,201</u>	<u>(25,203)</u>	<u>22,875,998</u>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Loans.....	2,001,727	-	2,001,727
Capital assets, nondepreciable.....	49,057,249	13,146,668	62,203,917
Capital assets, net of accumulated depreciation.....	<u>27,445,456</u>	<u>9,328,204</u>	<u>36,773,660</u>
Total noncurrent assets.....	<u>78,504,432</u>	<u>22,474,872</u>	<u>100,979,304</u>
<b>TOTAL ASSETS</b> .....	<b><u>101,405,633</u></b>	<b><u>22,449,669</u></b>	<b><u>123,855,302</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions.....	2,679,634	262,003	2,941,637
Deferred outflows related to other postemployment benefits.....	<u>2,881,618</u>	<u>93,356</u>	<u>2,974,974</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b> .....	<b><u>5,561,252</u></b>	<b><u>355,359</u></b>	<b><u>5,916,611</u></b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,950,409	1,827,165	3,777,574
Accrued payroll.....	892,481	24,288	916,769
Health claims payable.....	7,658	-	7,658
Unearned revenue.....	943,066	-	943,066
Payroll withholdings and other liabilities.....	658,594	151,972	810,566
Accrued interest.....	81,151	-	81,151
Compensated absences.....	123,279	7,321	130,600
Notes payable.....	<u>11,648,469</u>	<u>30,000</u>	<u>11,678,469</u>
Bonds payable.....	<u>382,253</u>	<u>27,293</u>	<u>409,546</u>
Total current liabilities.....	<u>16,687,360</u>	<u>2,068,039</u>	<u>18,755,399</u>
<b>NONCURRENT:</b>			
Compensated absences.....	26,512	-	26,512
Net pension liability.....	8,240,319	805,705	9,046,024
Other postemployment benefits.....	30,224,006	1,034,446	31,258,452
Bonds payable.....	<u>18,448,140</u>	<u>10,241,354</u>	<u>28,689,494</u>
Total noncurrent liabilities.....	<u>56,938,977</u>	<u>12,081,505</u>	<u>69,020,482</u>
<b>TOTAL LIABILITIES</b> .....	<b><u>73,626,337</u></b>	<b><u>14,149,544</u></b>	<b><u>87,775,881</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions.....	140,434	13,731	154,165
Deferred inflows related to other postemployment benefits.....	<u>4,129,681</u>	<u>295,337</u>	<u>4,425,018</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b> .....	<b><u>4,270,115</u></b>	<b><u>309,068</u></b>	<b><u>4,579,183</u></b>
<b>NET POSITION</b>			
Net investment in capital assets.....	51,857,208	12,176,225	64,033,433
Restricted for:			
Loans.....	2,001,727	-	2,001,727
Permanent funds:			
Expendable.....	461,011	-	461,011
Nonexpendable.....	593,194	-	593,194
Gifts and grants.....	463,160	-	463,160
Unrestricted.....	<u>(26,305,867)</u>	<u>(3,829,809)</u>	<u>(30,135,676)</u>
<b>TOTAL NET POSITION</b> .....	<b><u>\$ 29,070,433</u></b>	<b><u>\$ 8,346,416</u></b>	<b><u>\$ 37,416,849</u></b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 3,259,634	\$ 308,719	\$ 3,409,437	\$ -	\$ 458,522
Public safety.....	5,044,888	1,374,453	41,624	5,858	(3,622,953)
Education.....	18,988,977	4,413	9,523,127	12,278,430	2,816,993
Public works.....	2,698,814	236,863	294,546	1,098,232	(1,069,173)
Airport.....	375,118	247,476	-	753,057	625,415
Health and human services.....	380,282	37,621	126,956	-	(215,705)
Culture and recreation.....	532,035	1,210	61,165	-	(469,660)
Interest.....	740,671	-	-	-	(740,671)
Total Governmental Activities.....	<u>32,020,419</u>	<u>2,210,755</u>	<u>13,456,855</u>	<u>14,135,577</u>	<u>(2,217,232)</u>
<i>Business-Type Activities:</i>					
Water.....	771,327	782,087	-	-	10,760
Sewer.....	1,005,763	1,410,739	-	-	404,976
Total Business-Type Activities.....	<u>1,777,090</u>	<u>2,192,826</u>	<u>-</u>	<u>-</u>	<u>415,736</u>
Total Primary Government.....	<u>\$ 33,797,509</u>	<u>\$ 4,403,581</u>	<u>\$ 13,456,855</u>	<u>\$ 14,135,577</u>	<u>\$ (1,801,496)</u>

See notes to basic financial statements.

(Continued)

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page.....	\$ (2,217,232)	\$ 415,736	\$ (1,801,496)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	13,299,323	-	13,299,323
Tax and other liens.....	162,066	-	162,066
Motor vehicle and other excise taxes.....	1,108,396	-	1,108,396
Penalties and interest on taxes.....	262,984	-	262,984
Grants and contributions not restricted to specific programs.....	2,019,475	-	2,019,475
Unrestricted investment income.....	233,691	4,695	238,386
Miscellaneous.....	95,950	-	95,950
<i>Transfers, net</i> .....	<u>(135,600)</u>	<u>135,600</u>	<u>-</u>
Total general revenues.....	<u>17,046,285</u>	<u>140,295</u>	<u>17,186,580</u>
Change in net position.....	14,829,053	556,031	15,385,084
<i>Net position:</i>			
Beginning of year.....	<u>14,241,380</u>	<u>7,790,385</u>	<u>22,031,765</u>
End of year.....	<u>\$ 29,070,433</u>	<u>\$ 8,346,416</u>	<u>\$ 37,416,849</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**

JUNE 30, 2023

	General	Federal Grants	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 3,079,747	\$ 1,525,806	\$ 7,335,278	\$ 1,480,459	\$ 13,421,290
Investments.....	-	-	-	1,997,810	1,997,810
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	1,050,521	-	-	-	1,050,521
Tax liens.....	1,081,122	-	-	-	1,081,122
Motor vehicle and other excise taxes.....	242,206	-	-	-	242,206
Departmental and other.....	278,302	-	-	-	278,302
Intergovernmental.....	56,775	-	1,171,506	1,194,079	2,422,360
Special assessments.....	123	-	-	-	123
Loans.....	-	2,001,727	-	-	2,001,727
Tax foreclosures.....	192,700	-	-	-	192,700
Due from other funds.....	1,977,331	-	-	-	1,977,331
<b>TOTAL ASSETS</b> .....	<b>\$ 7,958,827</b>	<b>\$ 3,527,533</b>	<b>\$ 8,506,784</b>	<b>\$ 4,672,348</b>	<b>\$ 24,665,492</b>
<b>LIABILITIES</b>					
Warrants payable.....	\$ 237,744	\$ 20,467	\$ 1,459,667	\$ 232,531	\$ 1,950,409
Accrued payroll.....	824,901	26,732	197	40,651	892,481
Payroll withholdings and other liabilities.....	157,319	-	-	501,275	658,594
Unearned revenue.....	-	943,066	-	-	943,066
Notes payable.....	-	-	10,160,385	1,488,084	11,648,469
<b>TOTAL LIABILITIES</b> .....	<b>1,219,964</b>	<b>990,265</b>	<b>11,620,249</b>	<b>2,262,541</b>	<b>16,093,019</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue.....	2,793,546	2,001,727	-	1,173,457	5,968,730
<b>FUND BALANCES</b>					
Nonspendable.....	-	-	-	593,194	593,194
Restricted.....	-	535,541	-	3,079,499	3,615,040
Committed.....	-	-	-	-	-
Assigned.....	573,014	-	-	-	573,014
Unassigned.....	3,372,303	-	(3,113,465)	(2,436,343)	(2,177,505)
<b>TOTAL FUND BALANCES</b> .....	<b>3,945,317</b>	<b>535,541</b>	<b>(3,113,465)</b>	<b>1,236,350</b>	<b>2,603,743</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> .....	<b>\$ 7,958,827</b>	<b>\$ 3,527,533</b>	<b>\$ 8,506,784</b>	<b>\$ 4,672,348</b>	<b>\$ 24,665,492</b>

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2023

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Total governmental fund balances.....	\$ 2,603,743
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	76,502,705
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	5,968,730
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 reported.....	1,291,137
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....	229,778
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(81,151)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds: Bonds payable.....	(18,830,393)
Net pension liability.....	(8,240,319)
Other postemployment benefits.....	(30,224,006)
Compensated absences.....	<u>(149,791)</u>
Net effect of reporting long-term liabilities.....	<u>(57,444,509)</u>
Net position of governmental activities.....	\$ <u>29,070,433</u>

See notes to basic financial statements.

**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

YEAR ENDED JUNE 30, 2023

	General	Federal Grants	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes,					
net of tax refunds.....	\$ 13,280,197	\$ -	\$ -	\$ -	\$ 13,280,197
Tax liens.....	162,066	-	-	-	162,066
Motor vehicle and other excise taxes.....	947,641	-	-	-	947,641
Charges for services.....	145,861	-	-	4,313	150,174
Penalties and interest on taxes.....	262,984	-	-	-	262,984
Intergovernmental - Teachers Retirement.....	927,284	-	-	-	927,284
Intergovernmental.....	8,475,063	3,411,155	12,278,430	1,912,628	26,077,276
Departmental and other.....	1,339,431	-	-	604,257	1,943,688
Contributions and donations.....	-	-	-	29,633	29,633
Investment income (loss).....	174,905	-	-	58,786	233,691
Miscellaneous.....	95,950	-	-	-	95,950
<b>TOTAL REVENUES.....</b>	<b>25,811,382</b>	<b>3,411,155</b>	<b>12,278,430</b>	<b>2,609,617</b>	<b>44,110,584</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	1,280,769	1,107,559	-	241,702	2,630,030
Public safety.....	3,106,015	2,651	-	214,183	3,322,849
Education.....	13,054,941	1,615,973	20,964,552	883,544	36,519,010
Public works.....	1,627,531	-	-	1,378,822	3,006,353
Health and human services.....	207,083	30,727	-	64,702	302,512
Culture and recreation.....	363,324	-	-	21,586	384,910
Airport.....	171,575	753,057	-	121,333	1,045,965
Pension benefits.....	1,011,775	-	-	-	1,011,775
Pension benefits - Teachers Retirement.....	927,284	-	-	-	927,284
Employee benefits.....	2,335,922	-	-	-	2,335,922
State and county charges.....	603,260	-	-	-	603,260
Debt service:					
Principal.....	299,440	-	-	-	299,440
Interest.....	848,116	-	-	-	848,116
<b>TOTAL EXPENDITURES.....</b>	<b>25,837,035</b>	<b>3,509,967</b>	<b>20,964,552</b>	<b>2,925,872</b>	<b>53,237,426</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(25,653)</b>	<b>(98,812)</b>	<b>(8,686,122)</b>	<b>(316,255)</b>	<b>(9,126,842)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	91,719	-	-	-	91,719
Transfers out.....	-	-	-	(227,319)	(227,319)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>91,719</b>	<b>-</b>	<b>-</b>	<b>(227,319)</b>	<b>(135,600)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>66,066</b>	<b>(98,812)</b>	<b>(8,686,122)</b>	<b>(543,574)</b>	<b>(9,262,442)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>3,879,251</b>	<b>634,353</b>	<b>5,572,657</b>	<b>1,779,924</b>	<b>11,866,185</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 3,945,317</b>	<b>\$ 535,541</b>	<b>\$ (3,113,465)</b>	<b>\$ 1,236,350</b>	<b>\$ 2,603,743</b>

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds.....	\$ (9,262,442)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	23,895,884
Depreciation expense.....	<u>(1,747,590)</u>

Net effect of reporting capital assets.....	22,148,294
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Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....

2,874,487

The issuance of long-term debt 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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.

Net amortization of premium from issuance of bonds.....	82,726
Debt service principal payments.....	<u>299,440</u>

Net effect of reporting long-term debt.....	382,166
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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 the governmental funds.

Net change in compensated absences accrual.....	(27,370)
Net change in accrued interest on long-term debt.....	24,719
Net change in deferred outflow/(inflow) of resources related to pensions.....	4,348,342
Net change in net pension liability.....	(4,559,660)
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	50,348
Net change in other postemployment benefits liability.....	<u>(1,167,225)</u>

Net effect of recording long-term liabilities.....	(1,330,846)
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The net activity of internal service funds is reported with Governmental Activities.....

17,394

Change in net position of governmental activities.....	<u>\$ 14,829,053</u>
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See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**

JUNE 30, 2023

		Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
		Water	Sewer	Total		
<b>ASSETS</b>						
<b>CURRENT:</b>						
Cash and cash equivalents.....	\$ 1,293,622	\$ -	\$ 1,293,622	\$ 214,236		
Receivables, net of allowance for uncollectibles:						
User charges.....	224,980	433,526	658,506	-		
Working capital deposit.....	-	-	-	23,200		
Total current assets.....	<u>1,518,602</u>	<u>433,526</u>	<u>1,952,128</u>	<u>237,436</u>		
<b>NONCURRENT:</b>						
Capital assets, non depreciable.....	190,868	12,955,800	13,146,668	-		
Capital assets, net of accumulated depreciation.....	5,244,793	4,083,411	9,328,204	-		
Total noncurrent assets.....	<u>5,435,661</u>	<u>17,039,211</u>	<u>22,474,872</u>	<u>-</u>		
<b>TOTAL ASSETS</b>	<b><u>6,954,263</u></b>	<b><u>17,472,737</u></b>	<b><u>24,427,000</u></b>	<b><u>237,436</u></b>		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pensions.....	131,252	130,751	262,003	-		
Deferred outflows related to other postemployment benefits.....	60,653	32,703	93,356	-		
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>191,905</u></b>	<b><u>163,454</u></b>	<b><u>355,359</u></b>	<b><u>-</u></b>		
<b>LIABILITIES</b>						
<b>CURRENT:</b>						
Warrants payable.....	155,650	1,671,515	1,827,165	-		
Accrued payroll.....	10,961	13,327	24,288	-		
Health claims payable.....	-	-	-	7,658		
Due to other funds.....	-	1,977,331	1,977,331	-		
Other liabilities.....	-	151,972	151,972	-		
Compensated absences.....	-	7,321	7,321	-		
Notes payable.....	-	30,000	30,000	-		
Bonds payable.....	-	27,293	27,293	-		
Total current liabilities.....	<u>166,611</u>	<u>3,878,759</u>	<u>4,045,370</u>	<u>7,658</u>		
<b>NONCURRENT:</b>						
Net pension liability.....	403,623	402,082	805,705	-		
Other postemployment benefits.....	672,079	362,367	1,034,446	-		
Bonds payable.....	-	10,241,354	10,241,354	-		
Total noncurrent liabilities.....	<u>1,075,702</u>	<u>11,005,803</u>	<u>12,081,505</u>	<u>-</u>		
<b>TOTAL LIABILITIES</b>	<b><u>1,242,313</u></b>	<b><u>14,884,562</u></b>	<b><u>16,126,875</u></b>	<b><u>7,658</u></b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to pensions.....	6,879	6,852	13,731	-		
Deferred inflows related to other postemployment benefits.....	217,131	78,206	295,337	-		
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>224,010</u></b>	<b><u>85,058</u></b>	<b><u>309,068</u></b>	<b><u>-</u></b>		
<b>NET POSITION</b>						
Net investment in capital assets.....	5,435,661	6,740,564	12,176,225	-		
Unrestricted.....	244,184	(4,073,993)	(3,829,809)	229,778		
<b>TOTAL NET POSITION</b>	<b><u>\$ 5,679,845</u></b>	<b><u>\$ 2,666,571</u></b>	<b><u>\$ 8,346,416</u></b>	<b><u>\$ 229,778</u></b>		

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2023

Business-type Activities - Enterprise Funds				
	Water	Sewer	Total	Governmental Activities - Internal Service Fund
<b>OPERATING REVENUES:</b>				
Employer contributions.....	\$ -	\$ -	\$ -	\$ 45,152
Charges for services.....	782,087	1,410,739	2,192,826	-
<b>TOTAL OPERATING REVENUES</b>	<b>782,087</b>	<b>1,410,739</b>	<b>2,192,826</b>	<b>45,152</b>
<b>OPERATING EXPENSES:</b>				
Cost of services and administration.....	520,152	739,553	1,259,705	-
Utilities.....	46,330	-	46,330	-
Repairs and maintenance.....	20,363	-	20,363	-
Depreciation.....	184,482	162,199	346,681	-
Employee benefits.....	-	-	-	27,758
<b>TOTAL OPERATING EXPENSES</b>	<b>771,327</b>	<b>901,752</b>	<b>1,673,079</b>	<b>27,758</b>
<b>OPERATING INCOME (LOSS)</b>	<b>10,760</b>	<b>508,987</b>	<b>519,747</b>	<b>17,394</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income.....	4,395	300	4,695	-
Interest expense.....	-	(104,011)	(104,011)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET</b>	<b>4,395</b>	<b>(103,711)</b>	<b>(99,316)</b>	<b>-</b>
<b>TRANSFERS:</b>				
Transfers in.....	-	135,600	135,600	-
<b>CHANGE IN NET POSITION</b>	<b>15,155</b>	<b>540,876</b>	<b>556,031</b>	<b>17,394</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>5,664,690</b>	<b>2,125,695</b>	<b>7,790,385</b>	<b>212,384</b>
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 5,679,845</b>	<b>\$ 2,666,571</b>	<b>\$ 8,346,416</b>	<b>\$ 229,778</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund	
	Water	Sewer	Total	Fund		
	Water	Sewer	Total			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users.....	\$ 761,623	\$ 1,424,209	\$ 2,185,832	\$ -	- 45,152	
Receipts from interfund services provided.....	-	-	-	-	45,152	
Payments to vendors.....	(563,670)	(422,548)	(986,218)	-	-	
Payments to employees.....	(129,187)	(208,098)	(337,285)	-	-	
Payments for interfund services used.....	-	-	-	-	(31,548)	
NET CASH FROM OPERATING ACTIVITIES.....	<u>68,766</u>	<u>793,563</u>	<u>862,329</u>	<u>13,604</u>		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers in.....	-	135,600	135,600	-	-	
Advances from other funds.....	-	1,977,331	1,977,331	-	-	
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	<u>-</u>	<u>2,112,931</u>	<u>2,112,931</u>	<u>-</u>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from the issuance of bonds and notes.....	-	9,861,284	9,861,284	-	-	
Acquisition and construction of capital assets.....	-	(10,303,458)	(10,303,458)	-	-	
Principal payments on bonds and notes.....	-	(8,976,920)	(8,976,920)	-	-	
Interest expense.....	-	(104,011)	(104,011)	-	-	
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>-</u>	<u>(9,523,105)</u>	<u>(9,523,105)</u>	<u>-</u>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Investment income.....	4,395	300	4,695	-	-	
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u>73,161</u>	<u>(6,616,311)</u>	<u>(6,543,150)</u>	<u>13,604</u>		
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>1,220,461</u>	<u>6,616,311</u>	<u>7,836,772</u>	<u>200,632</u>		
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 1,293,622</u>	<u>\$ -</u>	<u>\$ 1,293,622</u>	<u>\$ 214,236</u>		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</b>						
<b>FROM OPERATING ACTIVITIES:</b>						
Operating income (loss).....	\$ 10,760	\$ 508,987	\$ 519,747	\$ 17,394		
Adjustments to reconcile operating income to net cash from operating activities:						
Depreciation.....	184,482	162,199	346,681	-	-	
Deferred (outflows)/inflows related to pensions.....	(212,861)	(191,447)	(404,308)	-	-	
Deferred (outflows)/inflows related to OPEB.....	(130,461)	(30,074)	(160,535)	-	-	
Changes in assets and liabilities:						
User charges.....	(20,464)	13,470	(6,994)	-	-	
Working capital deposit.....	-	-	-	-	(2)	
Warrants payable.....	(3,903)	(36,253)	(40,156)	-	-	
Accrued payroll.....	2,805	6,917	9,722	-	-	
Health claims payable.....	-	-	-	-	(3,788)	
Other liabilities.....	-	69,146	69,146	-	-	
Compensated absences.....	-	(7,404)	(7,404)	-	-	
Net pension liability.....	223,595	264,656	488,251	-	-	
Other postemployment benefits.....	14,813	33,366	48,179	-	-	
Total adjustments.....	<u>58,006</u>	<u>284,576</u>	<u>342,582</u>	<u>(3,790)</u>		
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 68,766</u>	<u>\$ 793,563</u>	<u>\$ 862,329</u>	<u>\$ 13,604</u>		

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2023**

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	Private Purpose <u>Trust Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents.....	\$ <u>55,921</u>
<b>NET POSITION</b>	
Held in trust for other purposes.....	\$ <u>55,921</u>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**YEAR ENDED JUNE 30, 2023**

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	<u>Private</u>	<u>Purpose</u>	<u>Trust Funds</u>
<b><u>ADDITIONS:</u></b>			
Investment income.....	\$	1,185	
NET POSITION AT BEGINNING OF YEAR.....		<u>54,736</u>	
NET POSITION AT END OF YEAR.....	\$	<u>55,921</u>	

See notes to basic financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Town of Orange, 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 is a municipal corporation that is governed by an elected 5-member Board of Selectmen.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. The Town has determined that there are no component units.

***Joint Ventures***

The Town is a member of the Ralph C. Mahar School District (the District) that provides for the education of grade levels 7-12 for the Town's students. The members share in the operations of the District and each member is responsible for its proportionate share of the operational and capital costs of the District, which are paid in the form of assessments. The Town does not have an equity interest in the District and the 2023 assessment was \$4,786,543 and its shares of the debt service expense totaled \$152,591.

The Town is also a member of the Franklin County Technical High School that serves the members' students seeking an education in academic, technical and agriculture studies. The members share in the operations of the Franklin County Technical High School and each member is responsible for its proportionate share of the operational and capital costs of the Franklin County Technical High School, which are paid in the form of assessments. The Town does not have an equity interest in the Franklin County Technical High School and the 2023 assessment was \$450,768 and its shares of the debt service expense totaled \$170,569.

**B. Government-Wide and Fund Financial Statements*****Government-Wide Financial Statements***

The government-wide financial statements (i.e., 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.

***Fund Financial Statements***

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds 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. Nonmajor funds are aggregated and displayed in a single column.

*Major Fund Criteria*

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

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

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

Internal service funds 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. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal 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.

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

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

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and the water enterprise fund. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

### *Fund Financial Statements*

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

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

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

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *federal grant fund* is used to account for all federal grants used for Town and school projects and activities.

The *school capital project fund* is used to account for the acquisition or construction of school facilities.

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

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds or capital projects.

The *capital project fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

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

**Proprietary** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principle ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary funds are reported:

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

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

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to the self-insured employee dental program.

**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 governmental programs.

The following fiduciary fund type is reported, when applicable:

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

#### D. Cash and Investments

##### *Government-Wide and Fund Financial Statements*

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

#### E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

#### F. Accounts Receivable

##### *Government-Wide and Fund Financial Statements*

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

##### ***Real Estate, Personal Property Taxes and Tax Liens***

Real estate and personal property taxes are levied and based on values assessed on January 1<sup>st</sup> of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup>, and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

##### ***Motor Vehicle Excise***

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

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

**Water and Sewer Fees**

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer fees and liens are recorded as receivables in the year of the levy.

Since the receivables are subject to the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

**Departmental and Other**

Departmental and other receivables are recorded as receivables in the year earned. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

**Intergovernmental**

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded 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. Inventories*****Government-Wide and Fund Financial Statements***

Inventories of the governmental funds and the water and sewer enterprise funds are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

**H. Capital Assets*****Government-Wide and Proprietary Fund Financial Statements***

Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure (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, and the proprietary fund 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 the estimated fair market value at the date of donation.

All purchases and construction costs in excess of \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets are depreciated on a straight-line basis. The estimated useful lives of capital assets being depreciated are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings.....	20 - 40
Machinery and equipment.....	5 - 15
Infrastructure.....	20 - 50
Vehicles.....	5 - 10

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.

#### *Governmental Fund Financial Statements*

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

#### I. Deferred Outflows/Inflows of Resources

##### *Government-Wide Financial Statements (Net Position)*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has reported deferred outflows of resources related to pension and OPEB in this category.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has reported deferred inflows of resources related to pension and OPEB in this category.

#### *Governmental Fund Financial Statements*

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

#### J. Unavailable revenue

##### *Fund Financial Statements*

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

**K. Interfund Receivables and Payables**

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

*Government-Wide Financial Statements*

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

*Fund Financial Statements*

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

**L. Interfund Transfers**

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

*Government-Wide Financial Statements*

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

**M. Net Position and Fund Equity***Government-Wide Financial Statements (Net Position)*

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been "restricted for" the following:

"Loans" represents the Town's Community Development loans receivable balances.

"Permanent funds - expendable" represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allow the trustee to authorize spending of the realized investment earnings that support governmental programs.

"Permanent funds - nonexpendable" represents the endowment portion of donor restricted trusts that support governmental programs.

"Gifts and grants" represents amounts held for school and other Town grants, and for gift funds that have restrictions placed on assets from outside parties.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and

unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### *Fund Financial Statements (Fund Balances)*

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

“Assigned” fund balance includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

#### N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Franklin Regional Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the Systems 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 in accordance with the benefit terms. Investments are reported at fair value.

#### O. Long-term debt

##### *Government-Wide and Proprietary Fund Financial Statements*

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.

*Governmental Fund Financial Statements*

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.

P. Investment Income

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 Law (MGL).

Q. Compensated Absences

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

*Government-Wide and Proprietary Fund Financial Statements*

Vested or accumulated vacation leave is reported as a liability and expensed as incurred.

*Governmental Fund Financial Statements*

Vested or accumulated vacation leave, which will be liquidated with expendable available financial resources, is reported as an expenditure and fund liability.

R. Use of Estimates

*Government-Wide and Fund Financial Statements*

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

S. Individual Fund Deficits

There are deficits within the school capital projects fund and the nonmajor funds. These deficits will be funded through bond proceeds and other available funds in future years.

T. Total Column

*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

*Fund Financial Statements*

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.

## NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and cash equivalents". The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

### Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town of Orange's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year-end, the carrying amount of deposits totaled \$14,985,069 and the bank balance totaled \$15,310,695. Of the bank balance, \$785,739 was covered by Federal Depository Insurance, \$13,696,507 was covered by Depositors Insurance Fund, and \$828,449 was exposed to custodial credit risk because it was uninsured and uncollateralized.

### Investments

As of June 30, 2023, the Town of Orange had the following investments:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
<b>Debt securities:</b>				
U.S. treasury notes.....	\$ 522,541	\$ -	\$ 426,084	\$ 96,457
Government sponsored enterprises.....	81,353	-	81,353	-
Corporate bonds.....	777,936	168,787	609,149	-
Total debt securities.....	1,381,830	\$ 168,787	\$ 1,116,586	\$ 96,457
<b>Other investments:</b>				
Equity securities.....	600,349			
Fixed income mutual funds.....	15,631			
Total investments.....	\$ 1,997,810			

### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town's investments of \$522,541 in U.S. Treasury Notes, \$81,353 in Governmental Sponsored Enterprises, \$777,936 in corporate bonds, and \$600,349 in equity securities all have custodial credit risk exposure because the related securities are uninsured, unregistered and held by the counterparty.

The Town does not have an investment policy for 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 has not adopted a formal policy related to Credit Risk. At June 30, 2023, the Town's investments were rated as follows by Standard and Poor's Investor's Services:

Quality Rating	Government Sponsored Enterprises	Corporate Bonds
AAA.....	\$ -	\$ 118,018
AA+.....	81,353	-
A+.....	-	136,512
A.....	-	96,964
BBB+.....	-	157,883
BBB.....	-	268,559
<b>Total.....</b>	<b>\$ 81,353</b>	<b>\$ 777,936</b>

Concentration of Credit Risk

The Town places no limit on the amount the government may invest in any one issuer.

Fair Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

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

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

Investment Type	June 30, 2023	Fair Value Measurements Using				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
<b>Investments measured at fair value:</b>						
<u>Debt securities:</u>						
U.S. treasury notes.....	\$ 522,541	\$ 522,541	\$ -	\$ -	-	
Government sponsored enterprises.....	81,353	81,353	-	-	-	
Corporate bonds.....	777,936	-	777,936	-	-	
Total debt securities.....	1,381,830	603,894	777,936	-	-	
<u>Other investments:</u>						
Equity securities.....	600,349	600,349	-	-	-	
Fixed income mutual funds.....	15,631	15,631	-	-	-	
Total other investments.....	615,980	615,980	-	-	-	
Total investments measured at fair value.....	\$ 1,997,810	\$ 1,219,874	\$ 777,936	\$ -	-	

U.S. treasury notes, government sponsored enterprises, fixed income mutual funds, and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**NOTE 3 – RECEIVABLES**

At June 30, 2023, receivables for the governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<b><u>Receivables:</u></b>			
Real estate and personal property taxes.....	\$ 1,118,677	\$ (68,156)	\$ 1,050,521
Tax liens.....	1,081,122	-	1,081,122
Motor vehicle and other excise taxes.....	274,696	(32,490)	242,206
Departmental and other.....	360,525	(82,223)	278,302
Intergovernmental.....	2,422,360	-	2,422,360
Special assessments.....	123	-	123
Loans.....	2,001,727	-	2,001,727
<b>Total.....</b>	<b>\$ 7,259,230</b>	<b>\$ (182,869)</b>	<b>\$ 7,076,361</b>

At June 30, 2023, receivables for the water and sewer enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<b><u>Receivables:</u></b>			
Water user charges.....	\$ 224,980	\$ -	\$ 224,980
Sewer user charges.....	433,526	-	433,526
<b>Total.....</b>	<b>\$ 658,506</b>	<b>\$ -</b>	<b>\$ 658,506</b>

Governmental funds report *unavailable revenue* 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 year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
<b><u>Receivables and other asset types:</u></b>			
Real estate and personal property taxes.....	\$ 942,318	\$ -	\$ 942,318
Tax liens.....	1,081,122	-	1,081,122
Motor vehicle and other excise taxes.....	242,206	-	242,206
Departmental and other.....	278,302	-	278,302
Intergovernmental.....	56,775	1,173,457	1,230,232
Loans.....	-	2,001,727	2,001,727
Special assessments.....	123	-	123
Tax foreclosures.....	192,700	-	192,700
<b>Total.....</b>	<b>\$ 2,793,546</b>	<b>\$ 3,175,184</b>	<b>\$ 5,968,730</b>

**NOTE 4 – CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,320,556	\$ -	\$ -	\$ 2,320,556
Construction in progress.....	<u>33,568,014</u>	<u>21,059,165</u>	<u>(7,890,486)</u>	<u>46,736,693</u>
Total capital assets not being depreciated.....	<u>35,888,570</u>	<u>21,059,165</u>	<u>(7,890,486)</u>	<u>49,057,249</u>
<u>Capital assets being depreciated:</u>				
Buildings.....	16,620,163	44,669	-	16,664,832
Machinery and equipment.....	6,843,736	297,479	-	7,141,215
Infrastructure.....	39,080,207	9,967,647	-	49,047,854
Vehicles.....	<u>3,191,294</u>	<u>417,410</u>	<u>-</u>	<u>3,608,704</u>
Total capital assets being depreciated.....	<u>65,735,400</u>	<u>10,727,205</u>	<u>-</u>	<u>76,462,605</u>
<u>Less accumulated depreciation for:</u>				
Buildings.....	(11,337,175)	(419,876)	-	(11,757,051)
Machinery and equipment.....	(5,654,687)	(194,428)	-	(5,849,115)
Infrastructure.....	(27,956,653)	(823,466)	-	(28,780,119)
Vehicles.....	<u>(2,321,044)</u>	<u>(309,820)</u>	<u>-</u>	<u>(2,630,864)</u>
Total accumulated depreciation.....	<u>(47,269,559)</u>	<u>(1,747,590)</u>	<u>-</u>	<u>(49,017,149)</u>
Total capital assets being depreciated, net.....	<u>18,465,841</u>	<u>8,979,615</u>	<u>-</u>	<u>27,445,456</u>
Total governmental activities capital assets, net.....	\$ <u>54,354,411</u>	\$ <u>30,038,780</u>	\$ <u>(7,890,486)</u>	\$ <u>76,502,705</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 53,522	\$ -	\$ -	\$ 53,522
Construction in progress.....	-	137,346	-	137,346
Total capital assets not being depreciated.....	53,522	137,346	-	190,868
<u>Capital assets being depreciated:</u>				
Buildings.....	639,689	-	-	639,689
Machinery and equipment.....	665,781	-	-	665,781
Infrastructure.....	8,551,731	-	-	8,551,731
Vehicles.....	306,203	-	-	306,203
Total capital assets being depreciated.....	10,163,404	-	-	10,163,404
<u>Less accumulated depreciation for:</u>				
Buildings.....	(166,656)	(11,947)	-	(178,603)
Machinery and equipment.....	(594,262)	(10,916)	-	(605,178)
Infrastructure.....	(3,723,006)	(125,596)	-	(3,848,602)
Vehicles.....	(250,205)	(36,023)	-	(286,228)
Total accumulated depreciation.....	(4,734,129)	(184,482)	-	(4,918,611)
Total capital assets being depreciated, net.....	5,429,275	(184,482)	-	5,244,793
Total water activities capital assets, net.....	\$ 5,482,797	\$ (47,136)	\$ -	\$ 5,435,661
<b>Sewer:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 24,741	\$ -	\$ -	\$ 24,741
Construction in progress.....	3,034,163	9,896,896	-	12,931,059
Total capital assets not being depreciated.....	3,058,904	9,896,896	-	12,955,800
<u>Capital assets being depreciated:</u>				
Buildings.....	1,364,311	-	-	1,364,311
Machinery and equipment.....	687,300	-	-	687,300
Infrastructure.....	3,537,666	2,063,048	-	5,600,714
Vehicles.....	48,750	-	-	48,750
Total capital assets being depreciated.....	5,638,027	2,063,048	-	7,701,075
<u>Less accumulated depreciation for:</u>				
Buildings.....	(1,364,311)	-	-	(1,364,311)
Machinery and equipment.....	(386,178)	(38,033)	-	(424,211)
Infrastructure.....	(1,656,226)	(124,166)	-	(1,780,392)
Vehicles.....	(48,750)	-	-	(48,750)
Total accumulated depreciation.....	(3,455,465)	(162,199)	-	(3,617,664)
Total capital assets being depreciated, net.....	2,182,562	1,900,849	-	4,083,411
Total sewer activities capital assets, net.....	\$ 5,241,466	\$ 11,797,745	\$ -	\$ 17,039,211

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

<b>Governmental Activities:</b>		
General government.....	\$ 148,947	
Public safety.....	327,904	
Education.....	258,267	
Public works.....	692,067	
Airport.....	306,964	
Culture and recreation.....	<u>7,454</u>	
 Total depreciation expense - governmental activities.....	<u>\$ 1,747,590</u>	
<b>Business-Type Activities:</b>		
Water.....	\$ 184,482	
Sewer.....	<u>162,199</u>	
 Total depreciation expense - business-type activities.....	<u>\$ 346,681</u>	

## **NOTE 5 – INTERFUND TRANSFERS**

For the year ended June 30, 2023, \$91,719 was transferred into the general fund from the receipts reserved fund and the other special revenue funds. Additionally, \$135,600 was transferred into the sewer enterprise fund from the other special revenue funds to fund capital projects.

## **NOTE 6 – SHORT-TERM FINANCING**

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

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

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

Details related to the short-term debt activity for the year ended June 30, 2023, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2022	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2023
<b>Governmental Funds:</b>							
BAN	School Roof	0.35	7/14/2022	\$ 82,562	\$ -	\$ (82,562)	\$ -
BAN	Recreation Facility	0.35	7/14/2022	25,000	-	(25,000)	-
BAN	Police Department Renovations	0.35	7/14/2022	45,000	-	(45,000)	-
BAN	Highway Truck	0.35	7/14/2022	12,250	-	(12,250)	-
BAN	F350 Highway Truck	0.35	7/14/2022	30,000	-	(30,000)	-
BAN	2020 Police Cruiser	0.35	7/14/2022	35,000	-	(35,000)	-
BAN	M2 Highway Truck	0.35	7/14/2022	172,406	-	(172,406)	-
BAN	School Technology	0.35	7/14/2022	50,007	-	(50,007)	-
BAN	Fire Brush Truck	0.35	7/14/2022	55,716	-	(55,716)	-
BAN	Dexter Park Repairs	0.35	7/14/2022	178,206	-	(178,206)	-
BAN	FRCOG Radio Upgrades	0.35	7/14/2022	25,000	-	(25,000)	-
BAN	Police Cruiser	0.35	7/14/2022	55,000	-	(55,000)	-
BAN	Probationary Firefighter Equipment	0.35	7/14/2022	14,000	-	(14,000)	-
BAN	Plow Truck	0.35	7/14/2022	29,231	-	(29,231)	-
BAN	Building Repairs	0.35	7/14/2022	120,000	-	(120,000)	-
BAN	2020 Ford Truck	1.80	3/30/2023	123,366	-	(123,366)	-
BAN	Broom Attachment for Loader	1.80	3/30/2023	19,619	-	(19,619)	-
BAN	Pavement Repairs	1.80	3/30/2023	14,812	-	(14,812)	-
BAN	Emergency Standby Generator	1.80	3/30/2023	24,015	-	(24,015)	-
BAN	Freightliner Dump Truck	1.80	3/30/2023	270,000	-	(270,000)	-
BAN	2021 Ford Escape	1.80	3/30/2023	29,933	-	(29,933)	-
BAN	Police Cruiser	1.80	3/30/2023	52,941	-	(52,941)	-
BAN	Airport New Wheel Loader	1.80	3/30/2023	100,000	-	(100,000)	-
BAN	Recreation Facility	2.50	7/13/2023	-	10,000	-	10,000
BAN	Police Department Renovations	2.50	7/13/2023	-	30,000	-	30,000
BAN	F350 Highway Truck	2.50	7/13/2023	-	15,000	-	15,000
BAN	Police Cruiser	2.50	7/13/2023	-	20,000	-	20,000
BAN	M2 Highway Truck	2.50	7/13/2023	-	151,998	-	151,998
BAN	Fire Brush Truck	2.50	7/13/2023	-	43,574	-	43,574
BAN	School Technology	2.50	7/13/2023	-	40,007	-	40,007
BAN	Dexter Park Repairs	2.50	7/13/2023	-	160,385	-	160,385
BAN	FRCOG Radio Upgrades	2.50	7/13/2023	-	20,000	-	20,000
BAN	Police Cruiser	2.50	7/13/2023	-	44,000	-	44,000
BAN	Probationary Firefighter Equipment	2.50	7/13/2023	-	9,000	-	9,000
BAN	Plow Truck	2.50	7/13/2023	-	19,231	-	19,231
BAN	Building Repairs	2.50	7/13/2023	-	108,000	-	108,000
BAN	New Elementary School	4.00	12/21/2023	-	10,000,000	-	10,000,000
BAN	2020 Ford Truck	4.27	3/28/2024	-	123,366	-	123,366
BAN	Broom Attachment for Loader	4.27	3/28/2024	-	19,619	-	19,619
BAN	Pavement Repairs	4.27	3/28/2024	-	14,812	-	14,812
BAN	Emergency Standby Generator	4.27	3/28/2024	-	24,015	-	24,015
BAN	Freightliner Dump Truck	4.27	3/28/2024	-	270,000	-	270,000
BAN	2021 Ford Escape	4.27	3/28/2024	-	29,933	-	29,933
BAN	Police Cruiser	4.27	3/28/2024	-	52,789	-	52,789
BAN	Airport New Wheel Loader	4.27	3/28/2024	-	100,000	-	100,000
BAN	Public Safety Building	4.27	3/28/2024	-	125,000	-	125,000
BAN	Radio System	4.27	3/28/2024	-	28,600	-	28,600
BAN	Town Hall Repairs	4.27	3/28/2024	-	25,000	-	25,000
BAN	Butterfield Playground	4.27	3/28/2024	-	20,000	-	20,000
BAN	Boiler Replacement	4.27	3/28/2024	-	20,000	-	20,000
BAN	Line Cruiser	4.27	3/28/2024	-	55,000	-	55,000
BAN	Station 2 Heating System	4.27	3/28/2024	-	15,000	-	15,000
BAN	Senior Center Touch Screen System	4.27	3/28/2024	-	9,140	-	9,140
BAN	Command Cruiser	4.27	3/28/2024	-	45,000	-	45,000
Total Governmental Funds.....				\$ 1,564,064	\$ 11,648,469	\$ (1,564,064)	\$ 11,648,469
<b>Sewer Enterprise Fund:</b>							
BAN	Sewer Main	0.35	7/14/2022	\$ 55,000	\$ -	\$ (55,000)	\$ -
BAN	Sewer Plant	1.00	8/25/2022	8,895,000	-	(8,895,000)	-
BAN	Sewer Main	2.50	7/13/2023	-	30,000	-	30,000
BAN	Sewer Plant	3.70	8/24/2023	-	9,831,284	(9,831,284)	-
Total Enterprise Fund.....				\$ 8,950,000	\$ 9,861,284	\$ (18,781,284)	\$ 30,000

For BANs that came due on July 13, 2023, \$193,371 was paid down and the remaining amount was rolled into new BANs totaling \$507,824 that comes due on July 15, 2024, with an interest rate of 4.60%. The BAN that came due on August 24, 2023, was converted to long-term debt and has been presented as such in these financial statements. Additionally, the BAN that came due on December 21, 2023, was rolled into a new BAN totaling \$10,000,000 that comes due on December 19, 2024, with an interest rate of 4.25%.

#### NOTE 7 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the outstanding indebtedness at June 30, 2023, and the debt service requirements are as follows:

#### Bonds Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
Fire Station Bond.....	2048	\$ 1,335,000	4.00	\$ 1,076,618
Energy Conservation Bond.....	2031	952,300	4.00	526,998
State House Note - Equipment.....	2025	204,245	2.20	139,120
Road Design.....	2026	595,000	5.00	460,000
Fisher School Project.....	2051	15,870,000	5.00	<u>15,855,000</u>
 Total Bonds Payable.....				18,057,736
 Add: Unamortized premium on bonds.....				<u>772,657</u>
 Total Bonds Payable, net.....				<u>\$ 18,830,393</u>

Debt service requirements for principal and interest for Governmental bonds payable in future years are as follows:

Year	Principal	Interest	Total
2024.....	\$ 317,635	\$ 650,373	\$ 968,008
2025.....	510,958	637,616	1,148,574
2026.....	709,855	614,727	1,324,582
2027 - 2031.....	3,606,089	2,591,764	6,197,853
2032 - 2036.....	3,296,804	1,807,506	5,104,310
2037 - 2041.....	3,333,358	1,263,152	4,596,510
2042 - 2046.....	3,358,915	754,477	4,113,392
2047 - 2051.....	2,924,122	155,722	3,079,844
 Total.....	<u>\$ 18,057,736</u>	<u>\$ 8,475,337</u>	<u>\$ 26,533,073</u>

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). Under this program, the assistance is paid to support construction costs and reduce the total debt service of the Town. Through the end of 2023, the Town has received \$27,595,222 of capital grant reimbursements from the MSBA, which is equal to 80.0% of approved construction costs incurred to date. The Town anticipates receiving an additional \$1,171,506 of grant proceeds in 2024. Accordingly, a \$1,171,506 intergovernmental receivable and corresponding capital grant revenue has been reported in the governmental fund financial statements.

### Bonds Payable Schedule – Sewer Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
General Obligation Sewer Bond.....	2048	\$ 380,000	4.25	\$ 243,584
Wastewater Treatment Facility Upgrade Bond.....	2058	9,831,284	2.13	<u>9,831,284</u>
Subtotal General Obligations Bonds Payable.....				10,074,868
MCWT Wastewater Management Plan.....				<u>193,779</u>
Subtotal Direct Borrowings Payable.....				<u>193,779</u>
Total Bonds Payable, net.....				<u>\$ 10,268,647</u>

Debt service requirements for principal and interest for Sewer Enterprise Fund bonds payable in future years are as follows:

Year	General Obligations Bonds:			Direct Borrowings:		
	Principal	Interest	Total	Principal	Interest	Total
2024.....	\$ 9,744	\$ 10,352	\$ 20,096	\$ 17,549	\$ 3,699	\$ 21,248
2025.....	209,435	223,020	432,455	17,930	3,344	21,274
2026.....	214,251	217,708	431,958	18,320	2,982	21,302
2027 - 2031....	1,137,770	1,014,670	2,152,440	97,750	9,189	106,939
2032 - 2036....	1,258,549	881,464	2,140,013	42,230	848	43,078
2037 - 2041....	1,392,372	734,993	2,127,364	-	-	-
2042 - 2046....	1,541,845	572,601	2,114,446	-	-	-
2047 - 2051....	1,678,199	395,048	2,073,247	-	-	-
2052 - 2056....	1,842,698	206,679	2,049,377	-	-	-
2057 - 2058....	790,005	25,718	815,723	-	-	-
Total.....	\$ 10,074,868	\$ 4,282,253	\$ 14,357,121	\$ 193,779	\$ 20,062	\$ 213,841

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

Purpose	Amount
Upgrade Wastewater Plant.....	\$ 6,904,858
Water/Sewer North Main Street.....	3,354,000
FY21 Capital Plan.....	39,769
FY22 Capital Plan.....	12,650
FY23 Capital Plan.....	5,152
Dexter Park School Building Project.....	41,827,704
Police Cruiser.....	70,000
Ambulance.....	400,000
School Solar Array.....	843,000
 Total.....	 <u>\$ 53,457,133</u>

### Changes in Long-term Liabilities

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>							
Long-term bonds payable.....	\$ 18,357,176	\$ -	\$ (299,440)	\$ -	\$ -	\$ 18,057,736	\$ 317,635
Add: Unamortized premium on bonds..	855,383	-	-	-	(82,726)	772,657	64,618
Total bonds payable.....	19,212,559	-	(299,440)	-	(82,726)	18,830,393	382,253
Compensated absences.....	122,421	-	-	128,391	(101,021)	149,791	123,279
Net pension liability.....	3,680,659	-	-	5,546,961	(987,301)	8,240,319	-
Other postemployment benefits.....	29,056,781	-	-	2,028,775	(861,550)	30,224,006	-
 Total governmental activity							
long-term liabilities.....	\$ 52,072,420	\$ -	\$ (299,440)	\$ 7,704,127	\$ (2,032,598)	\$ 57,444,509	\$ 505,532
 <b>Business-Type Activities:</b>							
Long-term bonds payable.....	\$ 253,328	\$ 9,831,284	\$ (9,744)	\$ -	\$ -	\$ 10,074,868	\$ 9,744
Long-term direct borrowing payable.....	210,955	-	(17,176)	-	-	193,779	17,549
Total bonds payable.....	464,283	9,831,284	(26,920)	-	-	10,268,647	27,293
Compensated absences.....	14,725	-	-	7,321	(14,725)	7,321	7,321
Net pension liability.....	317,454	-	-	584,785	(96,534)	805,705	-
Other postemployment benefits.....	986,267	-	-	73,278	(25,099)	1,034,446	-
 Total business-type activity							
long-term liabilities.....	\$ 1,782,729	\$ 9,831,284	\$ (26,920)	\$ 665,384	\$ (136,358)	\$ 12,116,119	\$ 34,614

### **NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as part of its year 2011 reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classification and the constraints imposed on the uses of those resources.

Massachusetts General Law Ch. 40 §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. The specification and any alteration of purpose, and any appropriation of funds from any such fund, shall be approved by a two-thirds vote. At year end, \$441,681, \$201,495, and \$127,827 have been side aside in a general stabilization fund, capital stabilization fund, and a community development stabilization fund, respectively. They are reported as unassigned fund balance within the general fund.

GASB Statement No. 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town has classified its governmental fund balances with the following hierarchy.

	General	Federal Grants	School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances:</b>					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 593,194	\$ 593,194
Restricted for:					
Federal grants.....	-	535,541	-	-	535,541
Other special revenue funds.....	-	-	-	1,369,173	1,369,173
Revolving funds.....	-	-	-	298,238	298,238
Receipts reserved funds.....	-	-	-	328,485	328,485
Grants.....	-	-	-	622,592	622,592
Permanent fund.....	-	-	-	461,011	461,011
Assigned to:					
Encumbrances:					
General government.....	189,558	-	-	-	189,558
Public safety.....	113,106	-	-	-	113,106
Education.....	10,665	-	-	-	10,665
Public works.....	187,806	-	-	-	187,806
Airport.....	53,084	-	-	-	53,084
Culture and recreation.....	18,795	-	-	-	18,795
Unassigned.....	3,372,303	-	(3,113,465)	(2,436,343)	(2,177,505)
<b>Total Fund Balances.....</b>	<b>\$ 3,945,317</b>	<b>\$ 535,541</b>	<b>\$ (3,113,465)</b>	<b>\$ 1,236,350</b>	<b>\$ 2,603,743</b>

## NOTE 9 – RISK FINANCING

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

The Town is self-insured for its dental benefits. Dental insurance activities are accounted for in the internal service fund where revenues are recorded when earned and expenses are recorded when the liability is incurred.

### *Dental Insurance*

The estimate of Incurred But Not Reported (IBNR) claims is based on an estimate of claims incurred but unpaid at year end. At June 30, 2023, the amount of the liability for dental claims totaled \$7,658. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2021 are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2022.....	\$ 7,358	\$ 95,627	\$ (91,539)	\$ 11,446
2023.....	11,446	90,919	(94,707)	7,658

## NOTE 10 – PENSION PLAN

### *Plan Descriptions*

The Town is a member of the Franklin Regional Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 39 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. 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 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teacher in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <https://www.macomproller.org/gasb-68-reports/>.

### *Special Funding Situation*

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions 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 MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on 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 \$927,284 is reported in the general fund as intergovernmental revenue and pension expense in the current year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$11,272,636 as of the measurement date.

*Benefits Provided*

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for the retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who become members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service. There were no changes in benefit terms that affected the measurement of the total pension liability at December 31, 2022.

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

*Contributions*

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the FRRS a legislatively mandated actuarially determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended June 30, 2023, which was \$1,083,835 and 22.63% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

*Pension Liabilities*

At June 30, 2023, the Town reported a liability of \$9,046,024 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 proportion was 13.34% which increased from its proportion measured at December 31, 2021 of 13.13%.

*Pension Expense*

For the year ended June 30, 2023, the Town recognized pension expense of \$1,379,096. At June 30, 2023, the Town reported deferred outflows of resources and inflows of resources related to pensions of \$2,941,637 and \$154,165 respectively.

The balances of deferred outflows and inflows at June 30, 2023 consist of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 278,097	\$ (18,629)	\$ 259,468
Difference between projected and actual earnings, net.....	1,905,418	-	1,905,418
Changes in assumptions.....	653,829	-	653,829
Changes in proportion and proportionate share of contributions....	104,293	(135,536)	(31,243)
 Total deferred outflows/(inflows) of resources.....	 \$ 2,941,637	 \$ (154,165)	 \$ 2,787,472

The deferred outflows/(inflows) of resources related to pension will be recognized in pension expense as follows:

Year ended June 30:

2024.....	\$ 325,346
2025.....	731,784
2026.....	644,685
2027.....	1,085,657
 Total.....	 \$ 2,787,472

*Actuarial Assumptions*

The total pension liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date that was rolled forward to December 31, 2022:

Valuation date.....	January 1, 2022
Actuarial cost method.....	Individual Entry Age Normal.
Amortization method.....	Increasing dollar amount at 4% to reduce the unfunded actuarial accrued liability to zero, on or before June 30, 2034.
Remaining amortization method.....	11 years, as of December 31, 2022.
Salary increases:	
Group 1 and 2.....	4.00% - 6.00%, based on service.
Group 4.....	4.50% - 7.00%, based on service.
Net investment return/Discount rate.....	7.25%, net of pension plan investment expense, including inflation.
Inflation rate.....	2.40%.
Cost of living adjustments.....	3% of the first \$17,000.
Mortality Rates.....	RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2020. For disabled members, RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2020.

### *Investment Policy*

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 are summarized in the table as follows:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
PRIT Core.....	40.00%	5.10%
Domestic Equity.....	32.00%	4.50%
International Equity.....	5.00%	5.73%
Real Estate.....	10.00%	3.10%
Fixed Income.....	13.00%	2.10%
<b>Total.....</b>	<b>100.00%</b>	

### *Rate of Return*

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -12.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### *Discount Rate*

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
The Town's proportionate share of the net pension liability.....	\$ 12,651,036	\$ 9,046,024	\$ 5,995,361

*Changes in Assumptions*

None.

*Changes in Plan Provisions*

None.

**NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS***Plan Description*

The Town of Orange administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare, dental, and life insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

*Funding Policy*

Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 75% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 25% of their premium costs.

*Total OPEB Liability*

GASB Statement #75 requires the OPEB liability to be measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year, consistently applied from period to period. At June 30, 2023, the Town’s total OPEB liability of \$31.3 million was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

*Employees Covered by Benefit Terms*

The following table represents the Plan’s membership at July 1, 2021:

Active members.....	187
Inactive employees or beneficiaries currently receiving benefits.....	<u>169</u>
Total.....	<u><u>356</u></u>

*Significant Actuarial Methods and Assumptions*

The total OPEB liability in the July 1, 2021, actuarial valuation was determined by using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2023, to be in accordance with GASB Statement #75.

Valuation date.....	July 1, 2021
Actuarial cost method.....	Individual Entry Age Normal.
Asset-valuation method.....	Fair value of assets as of the measurement date.
Municipal Bond rate.....	4.09% as of June 30, 2022 (Source: S&P Municipal Bond 20-Year High Grade Index- SAPIHG).
Single Equivalent Discount rate.....	4.09%, net of OPEB plan investment expense, including inflation.
Inflation rate.....	2.50% as of June 30, 2022 and for future periods.
Salary increases.....	3.00% annually as of June 30, 2022 and for future periods.
Mortality Rates:	
Pre-Retirement Mortality.....	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.
Post- Retirement Mortality.....	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled Mortality.....	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The Plan's expected future real rate of return is added to the expected inflation to produce the long-term expected nominal rate of return. Best estimates of

arithmetic real rates of return for each major asset class include in the OPEB plan's target asset allocation as of June 30, 2023, are summarized below:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Large Cap.....	20.00%	4.10%
Domestic Equity - Small/Mid Cap.....	10.00%	4.55%
International Equity - Developed Market..	15.00%	4.64%
International Equity - Emerging Market..	10.00%	5.45%
Domestic Fixed Income.....	30.00%	1.05%
International Fixed Income.....	10.00%	0.96%
Alternatives.....	5.00%	5.95%
 Total.....	 100.00%	

#### *Discount Rate*

The discount rate used to measure the total OPEB liability was 4.09% as of June 30, 2023 and June 30, 2022, which was based on the 20 year municipal bond index for a pay-as-you-go plan.

#### *Changes in the Total OPEB Liability*

	Total OPEB Liability
Balance at June 30, 2022.....	\$ 30,043,048
 Changes for the year:	
Service cost.....	856,223
Interest.....	1,245,830
Benefit payments.....	<u>(886,649)</u>
 Net change.....	<u>1,215,404</u>
 Balance at June 30, 2023.....	<u>\$ 31,258,452</u>

#### *Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following table presents the total other postemployment benefit liability, calculated using the discount rate of 4.09%, as well as what the total other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate.

	Current	1% Decrease	1% Increase
	Discount Rate	(3.09%)	(4.09%)
OPEB liability.....	\$ 31,258,452	<u>\$ 36,787,017</u>	<u>\$ 26,887,900</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following table presents the total other postemployment benefit liability, calculated using the current healthcare trend rate, as well as what the total other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
OPEB liability.....	\$ 26,535,527	\$ 31,258,452	\$ 37,324,767

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

For the year ended June 30, 2023, the GASB Statement #75 measurement date, the Town recognized OPEB expense of \$1,891,170. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (3,588,917)	\$ (3,588,917)
Changes in assumptions.....	2,974,974	(836,101)	2,138,873
Total deferred outflows/(inflows) of resources.....	\$ 2,974,974	\$ (4,425,018)	\$ (1,450,044)

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

Year ended June 30:

2024.....	\$ (160,424)
2025.....	(160,424)
2026.....	(293,636)
2027.....	(704,498)
Thereafter.....	(131,062)
 Total.....	\$ (1,450,044)

*Changes of Assumptions*

None.

*Changes in Plan Provisions*

None.

**NOTE 12 – COMMITMENTS**

The Town is currently committed to the following projects:

Purpose	Amount
Upgrade Wastewater Plant.....	\$ 6,904,858
Water/Sewer North Main Street.....	3,354,000
FY21 Capital Plan.....	39,769
FY22 Capital Plan.....	12,650
FY23 Capital Plan.....	5,152
Dexter Park School Building Project.....	41,827,704
Police Cruiser.....	70,000
Ambulance.....	400,000
School Solar Array.....	<u>843,000</u>
 Total.....	 <u>\$ 53,457,133</u>

The general fund has various commitments for good and services related to encumbrances totaling \$573,014.

**NOTE 13 – CONTINGENCIES**

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

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2023 cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 28, 2024, which is the date the financial statements were available to be issued.

**NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2023, the following GASB pronouncement was implemented:

- GASB Statement #91, Conduit Debt Obligations. This pronouncement did not impact the basic financial statements.
- GASB Statement #94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This pronouncement did not impact the basic financial statements.

- GASB Statement #96, Subscription-Based Information Technology Arrangements. This pronouncement did not impact the basic financial statements.
- GASB Statement #99, Omnibus 2022. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #100, Accounting Changes and Error Corrections, which is required to be implemented in 2024.
- The GASB issued Statement #101, Compensated Absences, which is required to be implemented in 2025.

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

# ***Required Supplementary Information***

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# ***General Fund Budgetary Comparison Schedule***

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 13,308,652	\$ 13,308,652	\$ 13,294,742	\$ -	\$ (13,910)
Tax liens.....	- -	- -	162,066	- -	162,066
Motor vehicle and other excise taxes.....	980,000	980,000	871,776	- -	(108,224)
Charges for services.....	150,988	150,988	145,861	- -	(5,127)
Penalties and interest on taxes.....	215,000	215,000	262,984	- -	47,984
Payments in lieu of taxes.....	15,000	15,000	- -	- -	(15,000)
Intergovernmental.....	8,365,147	8,365,147	8,472,193	- -	107,046
Departmental and other.....	1,347,155	1,347,155	1,339,431	- -	(7,724)
Investment income.....	13,000	13,000	161,940	- -	148,940
Miscellaneous.....	196,526	196,526	95,950	- -	(100,576)
<b>TOTAL REVENUES.....</b>	<b>24,591,468</b>	<b>24,591,468</b>	<b>24,806,943</b>	<b>- -</b>	<b>215,475</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	1,586,166	1,512,468	1,293,637	189,558	29,273
Public safety.....	3,170,722	3,257,464	3,106,015	113,106	38,343
Education.....	13,273,110	13,273,110	13,054,941	10,665	207,504
Public works.....	1,678,096	1,874,527	1,627,531	187,806	59,190
Airport.....	245,109	245,109	171,575	53,084	20,450
Health and human services.....	255,059	255,997	207,083	- -	48,914
Culture and recreation.....	383,236	383,236	363,324	18,795	1,117
Pension benefits.....	1,083,835	1,083,835	1,083,835	- -	- -
Employee benefits.....	2,392,444	2,489,429	2,462,059	- -	27,370
State and county charges.....	598,965	598,965	603,260	- -	(4,295)
Debt service:					
Principal.....	520,736	580,736	317,261	- -	263,475
Interest.....	830,485	836,204	830,295	- -	5,909
<b>TOTAL EXPENDITURES.....</b>	<b>26,017,963</b>	<b>26,391,080</b>	<b>25,120,816</b>	<b>573,014</b>	<b>697,250</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>					
	<b>(1,426,495)</b>	<b>(1,799,612)</b>	<b>(313,873)</b>	<b>(573,014)</b>	<b>912,725</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	262,185	450,584	450,584	- -	- -
Transfers out.....	(195,000)	(170,000)	(170,000)	- -	- -
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>67,185</b>	<b>280,584</b>	<b>280,584</b>	<b>- -</b>	<b>- -</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(1,359,310)</b>	<b>(1,519,028)</b>	<b>(33,289)</b>	<b>(573,014)</b>	<b>912,725</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>3,070,661</b>	<b>3,070,661</b>	<b>3,070,661</b>	<b>- -</b>	<b>- -</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 1,711,351</b>	<b>\$ 1,551,633</b>	<b>\$ 3,037,372</b>	<b>\$ (573,014)</b>	<b>\$ 912,725</b>

See notes to required supplementary information.

# **Pension Plan Schedules**

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers' Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
FRANKLIN REGIONAL RETIREMENT SYSTEM**

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Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of Covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2022.....	13.34%	\$ 9,046,024	\$ 4,696,315	192.62%	72.17%
December 31, 2021.....	13.13%	3,998,113	4,476,682	89.31%	87.05%
December 31, 2020.....	12.99%	5,272,143	4,262,644	123.68%	81.10%
December 31, 2019.....	13.47%	6,583,507	4,148,020	158.71%	76.30%
December 31, 2018.....	14.17%	8,693,790	4,038,150	215.29%	68.98%
December 31, 2017.....	14.64%	6,692,078	4,069,644	164.44%	75.89%
December 31, 2016.....	15.24%	8,007,780	3,873,126	206.75%	70.75%
December 31, 2015.....	16.04%	7,474,423	4,111,318	181.80%	71.73%
December 31, 2014.....	12.97%	4,868,195	4,001,848	121.65%	75.98%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF CONTRIBUTIONS**  
**FRANKLIN REGIONAL RETIREMENT SYSTEM**

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Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of Covered payroll
June 30, 2023.....	\$ 1,083,835	\$ (1,083,835)	\$ -	\$ 4,790,241	22.63%
June 30, 2022.....	1,008,777	(1,008,777)	-	4,566,216	22.09%
June 30, 2021.....	944,486	(944,486)	-	4,347,897	21.72%
June 30, 2020.....	925,592	(925,592)	-	4,230,980	21.88%
June 30, 2019.....	922,264	(922,264)	-	4,118,913	22.39%
June 30, 2018.....	902,626	(902,626)	-	4,151,037	21.74%
June 30, 2017.....	895,582	(895,582)	-	3,950,589	22.67%
June 30, 2016.....	905,685	(905,685)	-	4,193,544	21.60%
June 30, 2015.....	740,049	(740,049)	-	4,081,885	18.13%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

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

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The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2023.....	\$ 11,272,636	\$ 927,284	57.75%
2022.....	10,126,448	812,605	62.03%
2021.....	14,202,675	1,754,234	50.67%
2020.....	12,289,584	1,490,325	53.95%
2019.....	12,380,879	1,254,623	54.84%
2018.....	12,509,047	1,305,606	54.25%
2017.....	12,443,456	1,269,314	52.73%
2016.....	10,945,084	887,744	55.38%
2015.....	9,012,647	626,152	61.64%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

# ***Other Postemployment Benefits Plan Schedules***

The Schedule of Changes in the Town's Total Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability.

The Schedule of the Town's Contributions presents, over time, the ratio of the actual annual employer contribution to the annual required contribution.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE  
OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
<b>Total OPEB Liability</b>				
Service Cost.....	\$ 781,865	\$ 835,653	\$ 1,272,573	\$ 1,313,934
Interest.....	1,189,271	901,260	950,339	856,114
Changes of benefit terms.....	(3,175,698)	-	-	-
Differences between expected and actual experience.....	(7,688,266)	-	(269,941)	-
Changes of assumptions.....	1,329,972	-	2,800,922	3,106,043
Benefit payments.....	(693,903)	(746,259)	(797,306)	(834,266)
Net change in total OPEB liability.....	(8,256,759)	990,654	3,956,587	4,441,825
Total OPEB liability - beginning.....	<u>33,541,289</u>	<u>25,284,530</u>	<u>26,275,184</u>	<u>30,231,771</u>
Total OPEB liability - ending.....	<u>\$ 25,284,530</u>	<u>\$ 26,275,184</u>	<u>\$ 30,231,771</u>	<u>\$ 34,673,596</u>
Covered payroll.....	\$ 9,545,603	\$ 9,831,971	\$ 9,919,884	\$ 10,217,481
OPEB liability as a percentage of covered payroll.....	265%	267%	305%	339%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

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	June 30, 2022	June 30, 2023
\$	1,613,073	\$ 856,223
	806,709	1,245,830
	-	-
(5,167,222)	-	-
(1,012,422)	-	-
(870,686)	<u>(886,649)</u>	<u>(886,649)</u>
	(4,630,548)	1,215,404
	<u>34,673,596</u>	<u>30,043,048</u>
\$	<u>30,043,048</u>	<u>\$ 31,258,452</u>
\$	10,168,644	\$ 10,473,703

295% 298%

**SCHEDULE OF CONTRIBUTIONS**  
**OTHER POSTEMPLOYMENT BENEFIT PLAN**

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Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of Covered payroll
June 30, 2023.....	\$ 2,064,971	\$ (886,649)	\$ 1,178,322	\$ 10,473,703	8.47%
June 30, 2022.....	2,774,822	(870,686)	1,904,136	10,168,644	8.56%
June 30, 2021.....	2,351,432	(834,266)	1,517,166	10,217,481	8.17%
June 30, 2020.....	2,222,912	(797,306)	1,425,606	9,919,884	8.04%
June 30, 2019.....	1,736,913	(746,259)	990,654	9,831,971	7.59%
June 30, 2018.....	1,971,136	(693,903)	1,277,233	9,545,603	7.27%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

## NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority Special Town Meeting approval via a special article.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Board of Selectmen and written approval from the Massachusetts Department of Revenue.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original year 2023 approved budget authorized approximately \$26.2 million in appropriations and other amounts to be raised.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

### B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2023, is presented below:

Net change in fund balance - budgetary basis.....	\$ (33,289)
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	114,324
<u>Basis of accounting differences:</u>	
Net change in recording 60 day receipts.....	(14,545)
Net change in recording accrued expenses.....	(424)
Recognition of revenue for on-behalf payments.....	927,284
Recognition of expenditures for on-behalf payments.....	(927,284)
Net change in fund balance - GAAP basis.....	\$ <u>66,066</u>

**NOTE B – PENSION PLAN**Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

Changes in Assumptions

None.

Changes in Plan Provisions

None.

**NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

The Town administers a single-employer defined benefit healthcare plan (“the Other Postemployment Benefit Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s health insurance plan, which covers both active and retired members, including teachers.

**The Other Postemployment Benefit Plan**The Schedule of Changes in the Town’s Total Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town’s Total Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s total other postemployment benefit liability as a percentage of covered payroll.

Schedule of the Town’s Contributions

The Schedule of the Town’s Contribution includes the Town’s actuarially determined contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of the covered payroll. Actuarial contribution rates are calculated as of June 30, 2023. Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	July 1, 2021
Actuarial cost method.....	Individual Entry Age Normal.
Asset-valuation method.....	Fair value of assets as of the measurement date.
Municipal Bond rate.....	4.09% as of June 30, 2022 (Source: S&P Municipal Bond 20-Year High Grade Index- SAPIHG).
Single Equivalent Discount rate.....	4.09%, net of OPEB plan investment expense, including inflation.
Inflation rate.....	2.50% as of June 30, 2022 and for future periods.
Salary increases.....	3.00% annually as of June 30, 2022 and for future periods.
Mortality Rates:	
Pre-Retirement Mortality.....	RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.

Post- Retirement Mortality.....	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled Mortality.....	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

Changes in Assumptions

None.

Changes in Provisions

None.

**Email Bid Form**

**Town of Orange, Massachusetts**  
**\$9,797,450**

**GENERAL OBLIGATION BOND ANTICIPATION NOTES**

Ms. Amber Robidoux  
 Treasurer  
 Orange, Massachusetts 01364

Sale Date: December 4, 2024  
 Dated Date: December 18, 2024

By email to: [treasurer@townoforange.org](mailto:treasurer@townoforange.org)

Dear Ms. Robidoux:

For all or a portion of the principal amount of \$9,797,450 General Obligation Bond Anticipation Notes (the “Notes”), legally issued as described in the Notice of Sale dated November 21, 2024, we will pay the Town a price of not less than **par plus a premium of not less than \$3.75 per \$1,000 par amount bid (\$36,740.44 for the entire issue)** as follows, plus accrued interest to date of delivery, provided the Notes bear the following interest rate or rates:

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Premium</u>	<u>NIC</u>	<u>NIC</u>
\$ _____	_____ %	\$ _____	_____ %	\$ _____
\$ _____	_____ %	\$ _____	_____ %	\$ _____
\$ _____	_____ %	\$ _____	_____ %	\$ _____

Interest on the Notes is payable at maturity on December 18, 2025. The Notes are not subject to redemption prior to maturity.

**In making this bid, we accept the terms and conditions as defined in the Notice of Sale dated November 21, 2024. All blank spaces in this bid are intentional and are not to be construed as an omission.**

**All Bids are subject to verification prior to award.**

Submitted by:

Phone:

Mailing Address:

**TOWN OF ORANGE, MASSACHUSETTS**

**Unaudited Balance Sheet and Schedule A**

**As of June 30, 2024**

**Orange**

**Combined Balance Sheet - All Fund Types and Account Groups**  
**as of June 30, 2024**  
**(Unaudited)**

							Totals (Memorandum Only)	
	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types		
	General	Special Revenue	Capital Projects	Enterprise	Internal Services	Trust and Agency	Long-term Debt	
<b>ASSETS</b>								
Cash and cash equivalents	3,336,682.70	3,875,940.73	3,462,523.02	1,958,284.58	229,156.99	1,872,164.75		14,734,752.77
Petty Cash	816.00							816.00
Investments						627,162.17		627,162.17
Receivables:								
Personal property taxes	203,977.50							203,977.50
Real estate taxes	353,824.25							353,824.25
Allowance for abatements and exemptions								0.00
Tax liens	1,803,143.40				64,562.15			1,867,705.55
Deferred taxes								0.00
Motor vehicle excise	184,951.42							184,951.42
Other excises								0.00
User fees				449,532.09				449,532.09
Utility liens added to taxes				16,505.59				16,505.59
Departmental	463,718.75							463,718.75
Special assessments	2,627.87							2,627.87
Due from other governments								0.00
Other receivables	371,119.46							371,119.46
Foreclosures/Possessions	239,324.89							239,324.89
Prepays								0.00
Due to/from other funds								0.00
Working deposit					23,000.00			23,000.00
Inventory								0.00
Fixed assets, net of accumulated depreciation								0.00
Amounts to be provided - payment of bonds							30,676,976.46	30,676,976.46
Amounts to be provided - vacation/sick leave								0.00
<b>Total Assets</b>	<b>6,960,186.24</b>	<b>3,875,940.73</b>	<b>3,462,523.02</b>	<b>2,488,884.41</b>	<b>252,156.99</b>	<b>2,499,326.92</b>	<b>30,676,976.46</b>	<b>50,215,994.77</b>
<b>LIABILITIES AND FUND EQUITY</b>								
Liabilities:								
Warrants payable								0.00
Accounts payable		7,865.37						7,865.37
Accrued payroll	881,050.22	58,599.01	346.15	23,374.60				963,369.98
Withholdings	161,336.26							161,336.26
Accrued claims payable								0.00
Due to/from other funds								0.00
Due to other governments								0.00
Other liabilities	(86,610.28)				11,446.00			(75,164.28)



**Schedule A All Parts****Schedule A Part 1 - Fiscal Year 2024****Schedule A Part 1 - General Fund Revenues and Other Financing Sources (Fund 01)**

Acct. No.	Item Description	Amount
<b>A. TAXES</b>		
4110	Personal Property Taxes	656,171
4120	Real Estate Taxes	13,580,836
4150	Motor Vehicle Excise	942,853
4179	Penalties and Interest	245,861
4180	In Lieu of Taxes	33,356
4191	Hotel/Motel Excise	84,087
4192	Meals Excise	54,765
4193	Cannabis Excise	
4194	Boat Excise	
4198	Urban Redevelopment Excises	
4199	Other Taxes	
<b>A. TOTAL TAXES (NET OF REFUNDS)</b>		<b>15,597,929</b>
<b>B. CHARGES FOR SERVICES/OTHER DEPARTMENTAL REVENUES</b>		
4211	Water Charges	
4212	Other Utility Charges	
4229	Other Charges	
4243	Parking Charges	
4244	Park and Recreation Charges	
4246	Sewerage Charges	
4247	Trash Collection Charges	161,824
4248	Transit Charges	
4370	Other Department Revenue	1,129,491
<b>B. TOTAL CHARGES FOR SERVICES/OTHER DEPARTMENTAL REVENUES</b>		<b>1,291,315</b>
<b>C. LICENSES, PERMITS AND FEES</b>		
4322	Fees Retained from Tax Collection	
4323	Cannabis Impact Fee	
4324	Short-term Rental Community Impact Fee	
4400	Licenses and Permits	299,469
<b>C. TOTAL LICENSES, PERMITS AND FEES</b>		<b>299,469</b>
<b>D. FEDERAL REVENUE</b>		
4540	Unrestricted - Direct	
4580	Unrestricted - Through the State	
<b>D. TOTAL FEDERAL REVENUE</b>		
<b>E. REVENUES FROM STATE</b>		
4600	State Revenue	9,120,181
<b>E. TOTAL REVENUES FROM STATE</b>		<b>9,120,181</b>
<b>F. REVENUES FROM OTHER GOVERNMENTS</b>		
4695	Court Fines	9,157

**Schedule A All Parts****Schedule A Part 1 - Fiscal Year 2024**

Acct. No.	Item Description	Amount
4720	Received From the County for Services Performed	
4730	Received From Other Municipalities for Services Performed	
	<b>F. TOTAL REVENUES FROM OTHER GOVERNMENTS</b>	<b>9,157</b>
	<b>G. SPECIAL ASSESSMENTS</b>	
4750	Special Assessments	6,867
	<b>G. TOTAL SPECIAL ASSESSMENTS</b>	<b>6,867</b>
	<b>H. FINES, AND FOREFITURES</b>	
4770	Fines and Forfeitures	1,885
	<b>H. TOTAL FINES AND FORFEITURES</b>	<b>1,885</b>
	<b>I. MISCELLANEOUS REVENUES</b>	
4800	Miscellaneous Revenues	495,359
4820	Earnings on Investments	139,786
	<b>I. TOTAL MISCELLANEOUS REVENUES</b>	<b>635,145</b>
	<b>TOTAL GENERAL FUND REVENUES</b>	<b>26,961,948</b>
	<b>J. OTHER FINANCING SOURCES</b>	
4990	Other Financing Sources	
	<b>J. TOTAL OTHER FINANCING SOURCES</b>	
	<b>TOTAL GENERAL FUND REVENUES AND OTHER FINANCIAL SOURCES</b>	<b>26,961,948</b>
	<b>K. INTERFUND OPERATING TRANSFERS</b>	
4972	Transfers from Special Revenue Funds	75,395
4973	Transfers from Capital Projects Funds	
4975	Transfers from Enterprise Funds	235,563
4976	Transfers from Trust Funds	180,000
4977	Transfers from Agency Funds	
	<b>K. TOTAL INTERFUND OPERATING TRANSFERS</b>	<b>490,958</b>
	<b>TOTAL GENERAL FUND REVENUES, OTHER FINANCING SOURCES, AND INTERFUND OPERATING TRANSFERS</b>	<b>27,452,906</b>

## Schedule A All Parts

## Schedule A Part 2 - Fiscal Year 2024

## Schedule A Part 2 - General Government (100)

Acct. No.	Object of Expenditure	Legislative	Executive	Accountant Auditor	Collector	Treasurer	Law Department Town/City Counsel	Public Building/ Properties Maintenance	Assessors	Operations Support	License and Registration	Land Use	Conservation Commission	Other
5100	Salary and Wages		140,611	98,581	75,864	107,022		4,051	27,354		91,044	156,192		
5700	Expenditures		24,753	27,002	30,310	63,832	111,884	106,485	87,429	86,993	21,883	16,511	314	
5800A	Construction													
5800B	Capital Outlay													
<b>TOTAL</b>			<b>165,364</b>	<b>125,583</b>	<b>106,174</b>	<b>170,854</b>	<b>111,884</b>	<b>110,536</b>	<b>114,783</b>	<b>86,993</b>	<b>112,927</b>	<b>172,703</b>	<b>314</b>	

## Schedule A Part 2 - Public Safety (200)

Acct. No.	Object of Expenditure	Police	Fire	Emerg. Med. Services	Inspection	Other
5100	Salary and Wages	1,411,470	1,398,071		170,245	4,500
5700	Expenditures	109,194	302,296		29,188	37,559
5800A	Construction					
5800B	Capital Outlay					
<b>TOTAL</b>		<b>1,520,664</b>	<b>1,700,367</b>		<b>199,433</b>	<b>42,059</b>

## Schedule A Part 2 - Education (300)

Acct. No.	Object of Expenditure	Education	Reg. School Assessment-1	Reg. School Assessment-2	Reg. School Assessment-3	Reg. School Assessment-4
5100	Salary and Wages	5,514,375				
5700	Expenditures	2,371,667	5,489,961	667,503		
5800A	Construction					
5800B	Capital Outlay					
<b>TOTAL</b>		<b>7,886,042</b>	<b>5,489,961</b>	<b>667,503</b>		

## Schedule A Part 2 - Public Works (400)

**Schedule A All Parts****Schedule A Part 2 - Fiscal Year 2024**

Acct. No.	Object of Expenditure	Hwy/Streets (Snow/Ice)	Hwy/Streets (Other)	Waste Collect/Disp	Sewer Collect/Disp	Water Distribution	Parking Garage	Street Lighting	Other
5100	Salary and Wages	46,665	764,693	160,172					138,249
5700	Expenditures	123,620	392,210	165,793				15,160	56,629
5800A	Construction								
5800B	Capital Outlay			30,000					
<b>TOTAL</b>		<b>170,285</b>	<b>1,156,903</b>	<b>355,965</b>				<b>15,160</b>	<b>194,878</b>

**Schedule A Part 2 - Human Services (500)**

Acct. No.	Object of Expenditure	Health Services	Clinical Services	Special Program	Veterans Services	Other
5100	Salary and Wages	63,123				56,147
5700	Expenditures				71,801	1,720
5800A	Construction					
5800B	Capital Outlay					
<b>TOTAL</b>		<b>63,123</b>			<b>71,801</b>	<b>57,867</b>

**Schedule A All Parts****Schedule A Part 2 - Fiscal Year 2024****Schedule A Part 2 - Culture and Recreation (600)**

Acct. No.	Object of Expenditure	Library	Recreation	Parks	Historical Commission	Celebrations	Other
5100	Salary and Wages	249,357					
5700	Expenditures	130,318					
5800A	Construction						
5800B	Capital Outlay						
	<b>TOTAL</b>	<b>379,675</b>					

**Schedule A Part 2 - Debt Service (700)**

Acct. No.	Object of Expenditure	Retirement of Debt Principal	Interest on Long Term Debt	Interest on Short Term Debt	Other Interest
5900	Debt Service	562,085	657,874	458,228	
	<b>TOTAL</b>	<b>562,085</b>	<b>657,874</b>	<b>458,228</b>	

**Schedule A Part 2 - Unclassified (900)**

Acct. No.	Object of Expenditure	Workers Compensation	Unemployment	Health Insurance	Other Emp. Benefits	Court Judgements	Other Insurance	Intergovt. Assessments	Retirement	Other
0001	Unclassified	77,397	9,980	2,018,897	166,716		306,062	468,288	1,188,196	107,034
	<b>TOTAL</b>	<b>77,397</b>	<b>9,980</b>	<b>2,018,897</b>	<b>166,716</b>		<b>306,062</b>	<b>468,288</b>	<b>1,188,196</b>	<b>107,034</b>

**Schedule A Part 2 - Transfers/Other Financing Uses (0001)**

Acct. No.	Object of Expenditure	Amount
5960	Transfers to Other Funds	100,820
5990	Other Financing Uses	-86,785
	<b>TOTAL</b>	<b>14,035</b>

**Schedule A Part 2 - Total All General Fund Expenditures**

Acct. No.	Object of Expenditure	Total
	<b>EXPENDITURES</b>	
5100	Salary and Wages	10,677,786
5700	Expenditures	10,542,015
5800A	Construction	
5800B	Capital Outlay	30,000
5900	Debt Service	1,678,187
0001	Unclassified	4,342,570
	<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>27,270,558</b>
	<b>OTHER FINANCING</b>	

**Schedule A All Parts****Schedule A Part 2 - Fiscal Year 2024**

Acct. No.	Object of Expenditure	Total
<b>USES</b>		
5960	Transfers to Other Funds	100,820
5990	Other Financing Uses	-86,785
<b>TOTAL TRANSFERS AND OTHER FINANCING USES</b>		<b>14,035</b>
<b>TOTAL GENERAL FUND EXPENDITURES AND OTHER FINANCING USES</b>		<b>27,284,593</b>

## Schedule A All Parts

## Schedule A Part 3 - Fiscal Year 2024

## Schedule A Part 3 - Federal Grants (FG01)

Acct. No.	Item Description	General Government	Public Safety	Public Works	Education	Federal Emerg. Mgmt. Agency	Culture and Recr.	Community Development Block	Other Housing and Urban Development	Other	Total
<b>REVENUES</b>											
4100	Taxes and Excises										
4200	Charges for Services										
4500	Federal Revenue	240,659		2,651		1,582,756			472,882		-129,000 2,169,948
4600	State Revenue										
4800	Miscellaneous Revenues										
4820	Earnings on Investments										
<b>TOTAL REVENUES</b>		<b>240,659</b>		<b>2,651</b>		<b>1,582,756</b>			<b>472,882</b>		<b>-129,000 2,169,948</b>
<b>OTHER FINANCING SOURCES</b>											
4910	Bond Proceeds										
4970	Transfers From Other Funds										
4990	Other Financing Sources										
<b>TOTAL OTHER FINANCING SOURCES</b>											
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>240,659</b>		<b>2,651</b>		<b>1,582,756</b>			<b>472,882</b>		<b>-129,000 2,169,948</b>
<b>EXPENDITURES</b>											
5100	Salary and Wages	29,146				808,511				4,491	842,148
5700	Expenditures	200,467		2,700		696,312			472,882		305,560 1,677,921
5800A	Construction										
5800B	Capital Outlay										
5900	Debt Service										
<b>TOTAL EXPENDITURES</b>		<b>229,613</b>		<b>2,700</b>		<b>1,504,823</b>			<b>472,882</b>		<b>310,051 2,520,069</b>
<b>OTHER FINANCING USES</b>											
5960	Transfers to Other Funds										
5990	Other Financing Uses										
<b>TOTAL OTHER FINANCING USES</b>											
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>229,613</b>		<b>2,700</b>		<b>1,504,823</b>			<b>472,882</b>		<b>310,051 2,520,069</b>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>		<b>11,046</b>		<b>-49</b>		<b>77,933</b>				<b>-439,051</b>	<b>-350,121</b>
0002	Fund Balance Beginning of Year	-303,956		320		-217,550				1,999,793	1,478,607
0003	Adjustments										
0004	Fund Balance End of Year	-292,910		271		-139,617				1,560,742	1,128,486

## Schedule A All Parts

## Schedule A Part 3 - Fiscal Year 2024

## Schedule A Part 3 - State Grants (SG01)

Acct. No.	Item Description	General Government	Public Safety	Public Works	Education	Mass. Emerg. Mngmt. Agency	Culture and Recr.	Council on Aging	Library	Other	Total
<b>REVENUES</b>											
4100	Taxes and Excises										
4200	Charges for Services										
4500	Federal Revenue										
4600	State Revenue	289,055	16,085	1,616,141	524,094		9,900	48,904	24,123	443,782	2,972,084
4800	Miscellaneous Revenues										
4820	Earnings on Investments										
	<b>TOTAL REVENUES</b>	<b>289,055</b>	<b>16,085</b>	<b>1,616,141</b>	<b>524,094</b>		<b>9,900</b>	<b>48,904</b>	<b>24,123</b>	<b>443,782</b>	<b>2,972,084</b>
<b>OTHER FINANCING SOURCES</b>											
4910	Bond Proceeds										
4970	Transfers From Other Funds						115				115
4990	Other Financing Sources										
	<b>TOTAL OTHER FINANCING SOURCES</b>						<b>115</b>				<b>115</b>
	<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>289,055</b>	<b>16,085</b>	<b>1,616,141</b>	<b>524,094</b>		<b>10,015</b>	<b>48,904</b>	<b>24,123</b>	<b>443,782</b>	<b>2,972,199</b>
<b>EXPENDITURES</b>											
5100	Salary and Wages		13,252								
5700	Expenditures	149,920	15,500	1,402,146	308,954		10,380	11,701	4,530	466,983	2,370,114
5800A	Construction										
5800B	Capital Outlay										
5900	Debt Service										
	<b>TOTAL EXPENDITURES</b>	<b>149,920</b>	<b>28,752</b>	<b>1,402,146</b>	<b>308,954</b>		<b>10,380</b>	<b>32,840</b>	<b>4,530</b>	<b>578,162</b>	<b>2,515,684</b>
<b>OTHER FINANCING USES</b>											
5960	Transfers to Other Funds										
5990	Other Financing Uses										
	<b>TOTAL OTHER FINANCING USES</b>										
	<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>149,920</b>	<b>28,752</b>	<b>1,402,146</b>	<b>308,954</b>		<b>10,380</b>	<b>32,840</b>	<b>4,530</b>	<b>578,162</b>	<b>2,515,684</b>
	<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<b>139,135</b>	<b>-12,667</b>	<b>213,995</b>	<b>215,140</b>		<b>-365</b>	<b>16,064</b>	<b>19,593</b>	<b>-134,380</b>	<b>456,515</b>
0002	<b>Fund Balance Beginning of Year</b>	<b>202,089</b>	<b>6,403</b>	<b>-609,696</b>	<b>347,275</b>		<b>10,685</b>	<b>1,787</b>	<b>51,405</b>	<b>-187,592</b>	<b>-177,644</b>
0003	Adjustments										
0004	<b>Fund Balance End of Year</b>	<b>341,224</b>	<b>-6,264</b>	<b>-395,701</b>	<b>562,415</b>		<b>10,320</b>	<b>17,851</b>	<b>70,998</b>	<b>-321,972</b>	<b>278,871</b>

## Schedule A All Parts

## Schedule A Part 3 - Fiscal Year 2024

## Schedule A Part 3 - Receipts Reserved for Appropriation (RA01)

Acct. No.	Item Description	Education	Waterways Improvement	Wetlands Protection	Parking Meters	Ambulance	Ins. Reimb over \$150,000	Sale of Real Estate	Sale of Cemetery Lots	Other	Total
<b>REVENUES</b>											
4100	Taxes and Excises										
4200	Charges for Services				-955		101,392			14,600	100 115,137
4500	Federal Revenue										
4600	State Revenue										
4800	Miscellaneous Revenues									29,664	29,664
4820	Earnings on Investments										
<b>TOTAL REVENUES</b>					-955		101,392			14,600	<b>29,764 144,801</b>
<b>OTHER FINANCING SOURCES</b>											
4910	Bond Proceeds										
4970	Transfers From Other Funds									50,820	50,820
4990	Other Financing Sources										
<b>TOTAL OTHER FINANCING SOURCES</b>										50,820	<b>50,820</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>					-955		101,392			14,600	<b>80,584 195,621</b>
<b>EXPENDITURES</b>											
5100	Salary and Wages										
5700	Expenditures						-1,195				-1,195
5800A	Construction										
5800B	Capital Outlay										
5900	Debt Service										
<b>TOTAL EXPENDITURES</b>							-1,195				<b>-1,195</b>
<b>OTHER FINANCING USES</b>											
5960	Transfers to Other Funds							60,495			60,495
5990	Other Financing Uses										
<b>TOTAL OTHER FINANCING USES</b>								60,495			<b>60,495</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>					-1,195		60,495				<b>59,300</b>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>					240		40,897			14,600	<b>80,584 136,321</b>
0002	Fund Balance Beginning of Year					27,598		127,751		11,154	107,956
0003	Adjustments										
0004	<b>Fund Balance End of Year</b>				27,838		168,648		11,154	122,556	<b>134,611 464,807</b>

**Schedule A All Parts**  
**Schedule A Part 3 - Fiscal Year 2024**

**Schedule A Part 3 - Revolving Funds (RF01)**

Acct. No.	Item Description	Education	Athletic	Parks and Recreation	Ch. 44, 53E 1/2	Other	Total
<b>REVENUES</b>							
4100	Taxes and Excises						
4200	Charges for Services				249,136		249,136
4500	Federal Revenue						
4600	State Revenue						
4800	Miscellaneous Revenues				2,507		2,507
4820	Earnings on Investments						
<b>TOTAL REVENUES</b>						<b>251,643</b>	<b>251,643</b>
<b>OTHER FINANCING SOURCES</b>							
4910	Bond Proceeds						
4970	Transfers From Other Funds						
4990	Other Financing Sources						
<b>TOTAL OTHER FINANCING SOURCES</b>						<b>251,643</b>	<b>251,643</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>							
<b>EXPENDITURES</b>							
5100	Salary and Wages				15,938		15,938
5700	Expenditures				160,659		160,659
5800A	Construction						
5800B	Capital Outlay						
5900	Debt Service						
<b>TOTAL EXPENDITURES</b>						<b>176,597</b>	<b>176,597</b>
<b>OTHER FINANCING USES</b>							
5960	Transfers to Other Funds				3,400		3,400
5990	Other Financing Uses						
<b>TOTAL OTHER FINANCING USES</b>						<b>3,400</b>	<b>3,400</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>							
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>							
0002	<b>Fund Balance Beginning of Year</b>				298,235		298,235
0003	Adjustments						
0004	<b>Fund Balance End of Year</b>				369,881		369,881

## Schedule A All Parts

## Schedule A Part 3 - Fiscal Year 2024

## Schedule A Part 3 - Other Special Revenue (OS01)

Acct. No.	Item Description	Water	Sewer	Education	School Lunch	Adult Education	Professional Development	Comm. Preserv. Act	MWPAT	Title V	Gifts and Donations	Other	Total
<b>REVENUES</b>													
4100	Taxes and Excises				8,824								
4200	Charges for Services				465,028							22,415	31,239
4500	Federal Revenue			339,819	94,129								465,028
4600	State Revenue											54,928	488,876
4800	Miscellaneous Revenues											36,658	5,144
4820	Earnings on Investments											226	2,030
<b>TOTAL REVENUES</b>				<b>339,819</b>	<b>567,981</b>							<b>36,884</b>	<b>84,517</b>
<b>OTHER FINANCING SOURCES</b>													
4910	Bond Proceeds												
4970	Transfers From Other Funds											25,000	25,000
4990	Other Financing Sources												
<b>TOTAL OTHER FINANCING SOURCES</b>												<b>25,000</b>	<b>25,000</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>				<b>339,819</b>	<b>567,981</b>							<b>61,884</b>	<b>84,517</b>
<b>EXPENDITURES</b>													
5100	Salary and Wages				257,862							4,854	262,716
5700	Expenditures			310,415	221,415							16,488	33,296
5800A	Construction												
5800B	Capital Outlay												
5900	Debt Service												
<b>TOTAL EXPENDITURES</b>				<b>310,415</b>	<b>479,277</b>							<b>16,488</b>	<b>38,150</b>
<b>OTHER FINANCING USES</b>													
5960	Transfers to Other Funds											115	11,500
5990	Other Financing Uses												11,615
<b>TOTAL OTHER FINANCING USES</b>												<b>115</b>	<b>11,500</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>				<b>310,415</b>	<b>479,277</b>							<b>16,603</b>	<b>49,650</b>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>				<b>29,404</b>	<b>88,704</b>							<b>45,281</b>	<b>34,867</b>
0002	Fund Balance Beginning of Year			669,448	-4,528							34,426	202,952
0003	Adjustments												
0004	Fund Balance End of Year			698,852	84,176							34,426	248,233
												501,744	1,567,431

## Schedule A All Parts

## Schedule A Part 3 - Fiscal Year 2024

## Schedule A Part 3 - Total All Special Revenue Funds and Expenditures

Acct. No.	Item Description	Total
<b>REVENUES</b>		
4100	Taxes and Excises	
4200	Charges for Services	395,512
4500	Federal Revenue	2,634,976
4600	State Revenue	3,460,960
4800	Miscellaneous Revenues	73,973
4820	Earnings on Investments	2,256
<b>TOTAL REVENUES</b>		<b>6,567,677</b>
<b>OTHER FINANCING SOURCES</b>		
4910	Bond Proceeds	
4970	Transfers From Other Funds	75,935
4990	Other Financing Sources	
<b>TOTAL OTHER FINANCING SOURCES</b>		<b>75,935</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>6,643,612</b>
<b>EXPENDITURES</b>		
5100	Salary and Wages	1,266,372
5700	Expenditures	4,789,113
5800A	Construction	
5800B	Capital Outlay	
5900	Debt Service	
<b>TOTAL EXPENDITURES</b>		<b>6,055,485</b>
<b>OTHER FINANCING USES</b>		
5960	Transfers to Other Funds	75,510
5990	Other Financing Uses	
<b>TOTAL OTHER FINANCING USES</b>		<b>75,510</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>6,130,995</b>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>		<b>512,617</b>
<b>0002</b>	<b>Fund Balance Beginning of Year</b>	<b>3,296,859</b>
0003	Adjustments	
<b>0004</b>	<b>Fund Balance End of Year</b>	<b>3,809,476</b>

## Schedule A All Parts

## Schedule A Part 4 - Fiscal Year 2024

## Schedule A Part 4 - Capital Project Funds

Acct. No.	Item Description	Water	Sewer	Schools	Municipal Buildings	Landfill	Highways (Chapter 90)	Other	Total
<b>REVENUES</b>									
4100	Taxes and Excises								
4200	Charges for Services								
4500	Federal Revenue		5,720,010						5,720,010
4600	State Revenue			3,579,483					3,579,483
4800	Miscellaneous Revenues		30,000	17,821				226,628	274,449
4820	Earnings on Investments								
<b>TOTAL REVENUES</b>			<b>5,750,010</b>	<b>3,597,304</b>				<b>226,628</b>	<b>9,573,942</b>
<b>OTHER FINANCING SOURCES</b>									
4910	Bond Proceeds	1,120,955	10,241,917	-9,915,100					1,447,772
4970	Transfers From Other Funds								
4990	Other Financing Sources		1,405,855						1,405,855
<b>TOTAL OTHER FINANCING SOURCES</b>		<b>1,120,955</b>	<b>11,647,772</b>	<b>-9,915,100</b>					<b>2,853,627</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>1,120,955</b>	<b>17,397,782</b>	<b>-6,317,796</b>				<b>226,628</b>	<b>12,427,569</b>
<b>EXPENDITURES</b>									
5100	Salary and Wages								
5700	Expenditures							188,475	188,475
5800A	Construction	402,811	4,029,853	6,648,751				9,411	11,090,826
5800B	Capital Outlay								
5900	Debt Service								
<b>TOTAL EXPENDITURES</b>		<b>402,811</b>	<b>4,029,853</b>	<b>6,648,751</b>				<b>197,886</b>	<b>11,279,301</b>
<b>OTHER FINANCING USES</b>									
5960	Transfers to Other Funds								
5990	Other Financing Uses								
<b>TOTAL OTHER FINANCING USES</b>									
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>402,811</b>	<b>4,029,853</b>	<b>6,648,751</b>				<b>197,886</b>	<b>11,279,301</b>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>		<b>718,144</b>	<b>13,367,929</b>	<b>-12,966,547</b>				<b>28,742</b>	<b>1,148,268</b>
<b>0002</b>	<b>Fund Balance Beginning of Year</b>	<b>-930,211</b>	<b>-13,136,055</b>	<b>5,951,776</b>				<b>-1,045,620</b>	<b>-9,160,110</b>
0003	Adjustments								
<b>0004</b>	<b>Fund Balance End of Year</b>	<b>-212,067</b>	<b>231,874</b>	<b>-7,014,771</b>				<b>-1,016,878</b>	<b>-8,011,842</b>

Schedule A All Parts  
Schedule A Part 5 - Fiscal Year 2024

## Schedule A Part 5 - Enterprise Funds

Acct. No.	Item Description	Water	Sewer	Electric	Landfills	Hospital	Health Care	Airport	Harbor	Golf Courses	Public Recreation	Other	Total
<b>REVENUES</b>													
4100	Taxes and Excises												
4200	Charges for Services	700,999	1,229,411										1,930,410
4500	Federal Revenue												
4600	State Revenue												
4800	Miscellaneous Revenues												
4820	Earnings on Investments	12,093	554										12,647
<b>TOTAL REVENUES</b>		<b>713,092</b>	<b>1,229,965</b>										<b>1,943,057</b>
<b>OTHER FINANCING SOURCES</b>													
4910	Bond Proceeds												
4970	Transfers From Other Funds												
4990	Other Financing Sources												
<b>TOTAL OTHER FINANCING SOURCES</b>													
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>713,092</b>	<b>1,229,965</b>										<b>1,943,057</b>
<b>EXPENDITURES</b>													
5100	Salary and Wages	334,989	248,063										583,052
5700	Expenditures	377,393	467,650										845,043
5800A	Construction	183,464	88,025										271,489
5800B	Capital Outlay		5,800										5,800
5900	Debt Service		682,961										682,961
<b>TOTAL EXPENDITURES</b>		<b>895,846</b>	<b>1,492,499</b>										<b>2,388,345</b>
<b>OTHER FINANCING USES</b>													
5960	Transfers to Other Funds	126,314	109,249										235,563
5990	Other Financing Uses												
<b>TOTAL OTHER FINANCING USES</b>		<b>126,314</b>	<b>109,249</b>										<b>235,563</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b>1,022,160</b>	<b>1,601,748</b>										<b>2,623,908</b>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>		<b>-309,068</b>	<b>-371,783</b>										<b>-680,851</b>
0002	Fund Balance Beginning of Year	1,140,675	1,475,086										2,615,761
0003	Adjustments												
0004	Fund Balance End of Year	831,607	1,103,303										1,934,910

Schedule A All Parts  
Schedule A Part 6 - Fiscal Year 2024

## Schedule A Part 6 - Non-Expendable/Expendable Trusts (NE01)

Acct. No.	Item Description	Non-Expendable	Workers Compensation	Pension Reserve	Stabilization	Spl. Purpose Stabilization	Hlth Claim C/T Share	Hlth Claim Employee	Conservation	OPEB	Other	Total
<b>REVENUES</b>												
4100	Taxes and Excises											
4200	Charges for Services											
4500	Federal Revenue											
4600	State Revenue					36,732						36,732
4800	Miscellaneous Revenues						39,443					39,443
4820	Earnings on Investments				10,829	8,147			370	121	85,692	105,159
<b>TOTAL REVENUES</b>					<b>10,829</b>	<b>44,879</b>	<b>39,443</b>		<b>370</b>	<b>121</b>	<b>85,692</b>	<b>181,334</b>
<b>OTHER FINANCING SOURCES</b>												
4970	Transfers From Other Funds					50,820					25,000	
4990	Other Financing Sources											
<b>TOTAL OTHER FINANCING SOURCES</b>						<b>50,820</b>					<b>25,000</b>	<b>75,820</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>					<b>10,829</b>	<b>95,699</b>	<b>39,443</b>		<b>370</b>	<b>25,121</b>	<b>85,692</b>	<b>257,154</b>
<b>EXPENDITURES</b>												
5100	Salary and Wages											1,430
5700	Expenditures						28,511					25,861
5800A	Construction											
5800B	Capital Outlay											
5900	Debt Service											
<b>TOTAL EXPENDITURES</b>							<b>28,511</b>					<b>27,291</b>
<b>OTHER FINANCING USES</b>												
5960	Transfers to Other Funds					230,820						
5990	Other Financing Uses											
<b>TOTAL OTHER FINANCING USES</b>						<b>230,820</b>						<b>230,820</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>						<b>230,820</b>	<b>28,511</b>					<b>27,291</b>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>					<b>10,829</b>	<b>-135,121</b>	<b>10,932</b>		<b>370</b>	<b>25,121</b>	<b>58,401</b>	<b>-29,468</b>
<b>0002</b>	<b>Fund Balance Beginning of Year</b>	<b>627,162</b>			<b>441,681</b>	<b>453,003</b>	<b>229,779</b>			<b>6,915</b>		<b>476,048</b>
0003	Adjustments											
<b>0004</b>	<b>Fund Balance End of Year</b>	<b>627,162</b>			<b>452,510</b>	<b>317,882</b>	<b>240,711</b>			<b>7,285</b>	<b>25,121</b>	<b>534,449</b>
												<b>2,205,120</b>

**Schedule A All Parts****Schedule A Part 7 - Fiscal Year 2024****Schedule A Part 7 - Agency Funds**

Acct. No.	Item Description	Balance July 1,2023	Additions	Transfer From	Deductions	Transfer To	Balance June 30,2024
<b>ASSETS</b>							
0005	Cash	515,914	275,785		256,781		534,918
0006	Accounts Receivable						
	<b>TOTAL ASSETS</b>	<b>515,914</b>	<b>275,785</b>		<b>256,781</b>		<b>534,918</b>
<b>LIABILITIES</b>							
0007	Police Outside Detail	-86,759	172,005		136,416		-51,170
0008	Fire Off Duty Detail	12,490	15,239		16,952		10,777
0009	Tax Due State						
0010	Meals Tax Due State						
0011	Licenses Due State						
0012	Due County/Retirement Systems						
0013	Guarantee Bid Deposits	427,337	567				427,904
0014	Unclaimed Items						
0015	Other Liabilities	162,846	87,975		103,414		147,407
	<b>TOTAL LIABILITIES</b>	<b>515,914</b>	<b>275,786</b>		<b>256,782</b>		<b>534,918</b>

**Schedule A All Parts****Schedule A Part 8 - Fiscal Year 2024****Schedule A Part 8 - Personnel Expenditures**

Total Salaries and Wages as of December 31, -1 as Reported on IRS Form W-2	<b>10,786,480</b>
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Total Number of Employees (FTE) for Calendar Year Ending December 31, -1	<b>250</b>
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**Schedule A All Parts****Schedule A Part 9 - Fiscal Year 2024****Schedule A Part 9 - Schedule of Cash and Investments**

Acct. No.	Item Description	Cash and Investments
<b>FUNDS</b>		
0016	General Fund	3,336,683
0017	Special Revenue	3,875,941
0018	Debt Service Fund	
0019	Capital Project Funds	3,462,523
0020	Enterprise Funds	1,958,285
0021	Trust Funds	2,193,566
0022	Agency Funds	534,918
<b>TOTAL ALL FUNDS</b>		<b>15,361,916</b>

## Schedule A All Parts

## Schedule A Part 10 - Fiscal Year 2024

## Schedule A Part 10 - Schedule of Debt Outstanding, Issued and Retired this Fiscal Year

Acct. No.	Item Description	Outstanding July 1,2023	Issued this Fiscal Year	Retired this Fiscal Year	Outstanding June 30,2024	Interest this Fiscal Year
<b>A. GENERAL OBLIGATION BONDS</b>						
<b>INSIDE DEBT LIMIT</b>						
D001	BUILDINGS	1,098,725		36,930	1,061,795	43,441
D002	DEPARTMENT EQUIPMENT	117,013		58,506	58,507	1,989
D003	SCHOOL BUILDINGS					
D004	SCHOOL - ALL OTHER					
D005	SEWER	193,775	-193,775			
D006	SOLID WASTE					
D007	OTHER INSIDE LIMIT	986,998		207,200	779,798	44,080
	<b>TOTAL INSIDE DEBT LIMIT</b>	<b>2,396,511</b>	<b>-193,775</b>	<b>302,636</b>	<b>1,900,100</b>	<b>89,510</b>
<b>OUTSIDE DEBT LIMIT</b>						
D008	AIRPORT					
D009	HOSPITAL					
D010	ELECTRIC					
D011	GAS					
D012	SCHOOL BUILDINGS	15,855,000		15,000	15,840,000	568,363
D013	SEWER	243,584	11,841,547	269,210	11,815,921	383,001
D014	SOLID WASTE					
D015	WATER		1,120,955		1,120,955	
D016	OTHER OUTSIDE LIMIT					
	<b>TOTAL OUTSIDE DEBT LIMIT</b>	<b>16,098,584</b>	<b>12,962,502</b>	<b>284,210</b>	<b>28,776,876</b>	<b>951,364</b>
	<b>TOTAL LONG TERM DEBT</b>	<b>18,495,095</b>	<b>12,768,727</b>	<b>586,846</b>	<b>30,676,976</b>	<b>1,040,874</b>
D023	TOTAL DEBT REFUNDING					
<b>B. REVENUE AND NONGUARANTEED BONDS</b>						
D021	REVENUE AND NONGUARANTEED BONDS					
<b>C. SHORT TERM DEBT</b>						
D017	TAX ANTICIPATION NOTES					
D018	BOND ANTICIPATION NOTES					
D019	GRANT ANTICIPATION NOTES					
D020	OTHER SHORT TERM DEBT	11,509,753	238,715	274,449	11,474,019	458,979
	<b>TOTAL SHORT TERM DEBT</b>	<b>11,509,753</b>	<b>238,715</b>	<b>274,449</b>	<b>11,474,019</b>	<b>458,979</b>
<b>D. OTHER INTEREST</b>						
D022	OTHER INTEREST					

Item Description	Authorized	Issued/Retired Rescinded	Unissued June 30, 2024
Authorized and Unissued - Inside Debt Limit	3,491,076	1,209,273	2,281,803
Authorized and Unissued - Outside Debt Limit	78,532,704	37,883,585	40,649,119
<b>Total Authorized and Unissued</b>	<b>82,023,780</b>	<b>39,092,858</b>	<b>42,930,922</b>

## Schedule A All Parts

## Schedule A Part 11 - Fiscal Year 2024

## Schedule A Part 11 - Reconciliation of Fund Equity (Retained Earnings) for the Fiscal Year End June 30, 2024

	Item Description	General	Special Revenue	Capital Projects	Enterprise	Trust	Total
1	Total Revenue	26,961,948	6,567,677	9,573,942	1,943,057	181,334	45,227,958
2	Total Expenditures	27,270,558	6,055,485	11,279,301	2,388,345	55,802	47,049,491
<b>3</b>	<b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (LINE 1 - LINE 2)</b>	<b>-308,610</b>	<b>512,192</b>	<b>-1,705,359</b>	<b>-445,288</b>	<b>125,532</b>	<b>-1,821,533</b>
4	Transfers From Other Funds	490,958	75,935			75,820	642,713
5	Other Financing Sources			2,853,627			2,853,627
6	Transfers To Other Funds	100,820	75,510		235,563	230,820	642,713
7	Other Financing Uses	-86,785					-86,785
<b>8</b>	<b>TOTAL OTHER FINANCING SOURCES (USES) SUM OF LINES 4 AND 5 MINUS LINES 6 AND 7</b>	<b>476,923</b>	<b>425</b>	<b>2,853,627</b>	<b>-235,563</b>	<b>-155,000</b>	<b>2,940,412</b>
<b>9</b>	<b>TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) (SUM OF LINES 3 AND 8)</b>	<b>168,313</b>	<b>512,617</b>	<b>1,148,268</b>	<b>-680,851</b>	<b>-29,468</b>	<b>1,118,879</b>
10	Fund Equity (Retained Earnings) Beginning of Year	2,551,409	3,296,859	-9,160,110	2,615,761	2,234,588	1,538,507
11	Other Adjustments						
<b>12</b>	<b>TOTAL FUND EQUITY (RETAINED EARNINGS) END OF YEAR (SUM OF LINES 9 THROUGH 11)</b>	<b>2,719,722</b>	<b>3,809,476</b>	<b>-8,011,842</b>	<b>1,934,910</b>	<b>2,205,120</b>	<b>2,657,386</b>

**Schedule A All Parts****Schedule A Submission - Fiscal Year 2024****Schedule A Submission****Signatures**

Town Accountant

**Amber Dupell, Accountant , Orange , accountant@townoforange.org 978-544-1100 | 1/6/2025 3:35 PM****Documents**

No documents have been uploaded.

**Schedule A All Parts****Schedule A KAR-1 - Fiscal Year 2024****Schedule A KAR-1****Cash Balance**

Fund	Balance Sheet	Schedule A	Variance
General Fund	3,336,683	3,336,683	0
Special Revenue	3,875,941	3,875,941	0
Capital Project Funds	3,462,523	3,462,523	0
Enterprise Funds	1,958,285	1,958,285	0
Trust & Agency Funds	2,728,484	2,728,484	0
Debt Service Fund		0	0
<b>Total</b>	<b>15,361,916</b>	<b>15,361,916</b>	<b>0</b>

**Fund Equity Balance**

Fund	Balance Sheet	Schedule A	Variance
General Fund	2,719,723	2,719,722	1
Special Revenue	3,809,476	3,809,476	0
Capital Project Funds	-8,011,842	-8,011,842	0
Enterprise Funds	1,934,910	1,934,910	0
Trust Funds	2,205,120	2,205,120	0
<b>Total</b>	<b>2,657,387</b>	<b>2,657,386</b>	<b>1</b>

**Comments**

Complete both sections for UMAS communities and the cash section for STAT communities.  
 If there are variances, they must be explained by the Accountant/Auditor.