

**TOWN OF
NORWELL, MASSACHUSETTS**

Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

(With Independent Auditors' Report Thereon)

TOWN OF NORWELL, MASSACHUSETTS

**Comprehensive Annual Financial Report
Annual Financial Statements**

For the Year Ended June 30, 2020

**Prepared by:
The Finance Department**

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**TOWN OF NORWELL, MASSACHUSETTS
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INTRODUCTORY SECTION:</u>	
Letter of Transmittal	1
Organizational Chart	8
Principal Town Officials	9
Town Location	10
Certificate of Achievement	11
<u>FINANCIAL SECTION:</u>	
INDEPENDENT AUDITORS' REPORT	15
MANAGEMENT'S DISCUSSION AND ANALYSIS	21
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	29
Statement of Activities	30
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	32
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	33
Statement of Revenues, Expenditures, and Changes in Fund Balances	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	35
Proprietary Funds:	
Statement of Net Position	36
Statement of Revenues, Expenses, and Changes in Fund Net Position	37
Statement of Cash Flows	38

Fiduciary Funds:	
Statement of Fiduciary Net Position	39
Statement of Changes in Fiduciary Net Position	40
Notes to Financial Statements	41
REQUIRED SUPPLEMENTARY INFORMATION:	
Budget and Actual:	
Schedule of Revenues, Expenditures, and Other Financing Sources/Uses – Budget and Actual – General Fund	80
Schedule of Revenues, Expenditures, and Other Financing Sources/Uses – Budget and Actual – Major Special Revenue Fund	84
Notes to Required Supplementary Information for Budget	85
Pension:	
Schedule of Proportionate Share of the Net Pension Liability	87
Schedule of Pension Contributions	88
OPEB:	
Schedule of Changes in Net OPEB Liability	89
Schedules of Net OPEB Liability, Contributions, and Investment Returns	90
SUPPLEMENTARY STATEMENTS AND SCHEDULES:	
Governmental Funds Combining Financial Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Equity – Nonmajor Governmental Funds	98
<u>STATISTICAL SECTION:</u>	
<i>Financial Trends</i>	
Net Position by Component – Last Ten Fiscal Years	104
Changes in Net Position – Last Ten Fiscal Years	105
Fund Balances, Governmental Funds – Last Ten Fiscal Years	107
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	108

Revenue Capacity

Assessed Value of Taxable Property by Classification – Last Ten Fiscal Years	109
Principal Taxpayers – Current Year and Nine Years Ago	110
Property Tax Levies and Collections – Last Ten Fiscal Years	111

Debt Capacity

Ratios of Outstanding Debt by Debt Type – Last Ten Fiscal Years	112
Direct and Overlapping Governmental Activities Debt	113
Legal Debt Margin Information – Last Ten Fiscal Years	114

Demographic and Economic Information

Demographic Statistics – Last Ten Fiscal Years	115
Principal Employers – Current Year and Nine Years Ago	116

Operating Information

Government Employees by Function – Full Time Equivalents - Last Ten Fiscal Years	117
Operating Indicators by Function – Last Ten Fiscal Years	118
Capital Asset Statistics by Function – Last Ten Fiscal Years	119

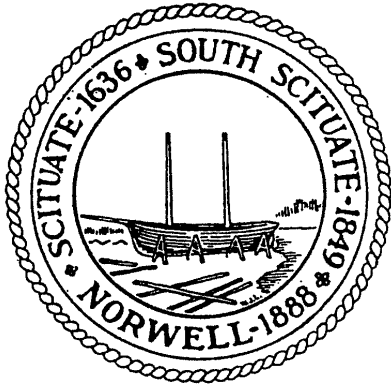


Photo by Donna Mangan

The Norwell bank of the North River, the first designated Scenic River in Massachusetts and the only Scenic Protected River in the State. The establishment of the North River Commission is mandated by the Massachusetts Department of Environmental Management (DEM) to oversee the Protective Order. The Order promotes public safety, health, and welfare in achieving its goal to protect public and private property, wildlife, fresh and saltwater fisheries, and irreplaceable wild, scenic, and recreational river resources.

**INTRODUCTORY
SECTION**

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TOWN OF NORWELL
DEPARTMENT OF FINANCE
345 Main Street
Norwell, MA 02061
(781) 659-8010

LETTER OF TRANSMITTAL

December 22, 2020

To the Honorable Select Board and Citizens of the Town of Norwell:

At the close of each fiscal year, State law requires the Town of Norwell to publish a complete set of financial statements presented in conformance with *Generally Accepted Accounting Principles* (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Norwell, Massachusetts, for the fiscal year ending June 30, 2020 for your review.

This report consists of management's representations concerning the finances of the Town of Norwell. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Norwell has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse, and to compile sufficient, reliable information for the preparation of the Town of Norwell's financial statements in compliance with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Norwell's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Norwell's financial statements have been audited by Melanson, a firm of licensed, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Norwell for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the

accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Norwell's financial statements for the fiscal year ended June 30, 2020, and further, that they are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Norwell's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Norwell

The Town of Norwell is an affluent, semi-rural town located 20 miles southeast of Boston in Plymouth County, Massachusetts. First settled in 1634 as a part of the settlement of Scituate, the Town was officially created in 1849 as South Scituate, and then in 1888 changed its name to Norwell. The Town occupies a land area of approximately 21.2 square miles, has a current population of approximately 11,000, and is situated near the junction of Massachusetts Route 3, the main highway to Boston. In addition to Route 3, Routes 53, 123, and 228 are the principal highways and roads serving the Town, providing an excellent location for commuters, residents, and businesses.

The Town of Norwell is governed by an open Town Meeting form of government and an elected 5-member Select Board. The Select Board serves as the Town's policy maker and appoints a Town Administrator responsible for assisting them in the formulation of policy and administering the day-to-day affairs of the Town. An elected, 5-member School Committee appoints a School Superintendent who administers the school system of the Town. Both the School Committee and Select Board are elected at-large to 3-year terms. An appointed Advisory Board, consisting of nine members, makes recommendations to Town Meeting on operating budgets and other financial matters.

The Town of Norwell provides a full range of services, including police and fire protection, building inspections, licenses and permits, vital statistics, K-12 public education, construction and maintenance of streets and infrastructure, solid waste collection and disposal, health and human services, cultural and recreational services, water, administrative, and financial services. A new police headquarters building was constructed and added to the fire department headquarters building in 2015. Emergency communications have been regionalized with the towns of Hingham, Cohasset, and Hull in a Hingham location since fiscal year 2012. In addition, animal control services have been regionalized with the towns of Hull and Cohasset since fiscal year 2016.

In addition to the Norwell Public Library, the James Library & Center for the Arts and the South Shore Natural Science Center are in Norwell and offer arts, science, and library services

independently, attracting visitors to Norwell from surrounding communities. Since fiscal year 2016, the Town has been planning the design and construction of a new public library. In July 2017, the Town received a provisional construction grant award from the Massachusetts Public Library Construction Program in the amount of \$6.36 million pending a referendum vote. The referendum vote passed at a special Town election on December 9, 2017 following a December 4, 2017 Special Town Meeting authorization of a debt exclusion borrowing of \$14.9 million. The design phase of the new Library began in fiscal 2018 and the construction phase began in the spring of fiscal year 2019 and is still in progress. The new Library is expected to be open to the public in the spring of 2021.

Several significant recreational areas are located throughout the Town providing a variety of outdoor activities including walking, picnicking, bicycling, fishing, boating, and kayaking. Wompatuck State Park is a great asset located in the northeast section of Town. Much of Norwell's eastern border lies along the beautiful North River leading to the Atlantic Ocean, where many shipbuilding companies once stood. The Norris Reservation provides 2 miles of walking trails through the woods with benches along the North River. The Jacobs Pond conservation area provides floating docks and boardwalks including a handicap accessible dock for kayakers. The Town of Norwell has spent over \$2.5 million and many years developing a system of pathways throughout the Town for recreational purposes.

Factors Affecting Financial Condition

The Town of Norwell continues to reflect a strong economic condition. Per capita income is significantly higher than State averages and the unemployment rate is extremely low with the exception of the last quarter of fiscal year 2020 due to the coronavirus pandemic. The Town remains a very desirable community given its proximity and accessibility to Boston, its high level of public services and amenities, and its highly ranked school system.

Since the Town adopted the Community Preservation Act, effective in FY2002, which allows for a 3% surcharge on real estate bills with a state match, the Town has collected approximately \$15.2 million from the surcharge and \$6.8 million in state matches. Appropriations from the CPA fund totaling \$23.1 million have provided funding for many projects in historic preservation, affordable housing, and open space and recreation. Funds dedicated for recreational purposes include playgrounds, athletic fields, docks, town landings, and walking and bike trails. In fiscal year 2019, the Town appropriated \$3.88 million for the acquisition of 124.2 acres off Main Street known as the Carleton property. The acquisition of this property was a goal of the Town for many years as stated in the Town's Master Plan and Open Space and Recreation Plan. In fact, the potential to purchase this property contributed to a favorable vote to adopt the Community Preservation Act in 2002. The citizens remain committed to the viability of the program as appropriations continue to be approved annually at either Annual or Special Town Meetings.



Photo by Donna Mangan

Community Preservation Act (CPA) funding in FY2013 made it possible to construct a 4-season, 1,080 square foot polyethylene floating dock with benches and bridge at Jacobs Pond. The dock is handicap accessible with a “transfer bench” which allows people to get in and out of kayaks or canoes without putting them in the water. Handicapped visitors may drive directly down to the dock.

The Town is primarily a residential community with high-end development and a small, but stable, commercial/industrial base, which has contributed to strong property tax base growth during the past decade. The residential housing market is strong, reflecting the great interest in the community, especially due to the excellent reputation of the school system. There continues to be reinvestment in single-family properties through renovations or replacement of older

homes. There are also proposals for new development in Norwell, including a variety of commercial projects. Assessed value has grown by an average of 4% during the past 5 fiscal years. The Town also has two industrial parks with good occupancy rates including medical facilities, which continue to strengthen.

The Town continues to be a very desirable location for development for many reasons, including its proximity to Route 3, the main highway to the city of Boston.

The Town is committed to investing in its roads and since fiscal year, 2016 has made substantial improvements costing \$10 million of which \$3 million was reimbursed by the State under its Chapter 90 program. As a result, 40% of its public roads were paved representing 30-36 miles of public roads, including 90% of the Town’s major arterials. With proper maintenance, it is estimated the newly paved roads should have a life span of 12-15 years. In addition to investing in its roads, the Town is also committed to investing in new sidewalks and since fiscal year 2018 has added over 4 miles of new sidewalk infrastructure costing \$550,000.

Exotic car dealership McLaren of Boston opened in Norwell in FY17, in addition to other high-end dealerships currently in Norwell. The sale of new McLaren cars and other high-end cars has contributed to increased tax revenues. State grant revenues have also increased since the Town of Norwell has participated in the Community Compact Best Practices Program, a Commonwealth of Massachusetts incentive program established for communities for the purpose of promoting the implementation of various best practices. Since fiscal year 2016, the Town has received \$63,500 in grant funds for commercial development, efficiency and regionalization studies, and to establish a multi-year capital plan.

Since the Town was designated a Green Community by the Department of Energy Resources in fiscal year 2016, the Town received over \$421,500 in grant funds for purposes of improving energy efficiency and increasing the use of renewable energy. The Town has been proactive in taking

cost-saving measures in energy consumption and in fiscal year 2020 saved over \$280,000 due to the use of solar panels and the purchase of net metering credits and other energy conservation.

Excellent collection rates and quarterly tax billings have eliminated the need for the Town to borrow on a short-term basis to maintain cash flow. The Town's investment options are governed by Massachusetts General Laws and focus on the sound principles of safety, liquidity and yield.

Relevant Financial Policies

Long-term Financial Planning – The Town has sustained quality municipal and school services despite years of reduced state aid through prudent budgeting, user fee adjustments, strong tax collections, modification of employee health benefits, and continued property growth.

The COVID-19 pandemic provided an unprecedented challenge to the Town's public health, public safety, schools and finances. In response, the Town's public safety personnel strictly adhered to infection protection protocols, while schools and Town offices adroitly developed and implemented the capacity to carry out their responsibilities remotely. Related expenses were carefully tracked and submitted for reimbursement through the federal CARES Act process.

Health insurance cost increases continue to outpace the rate of inflation and this trend is projected to continue in the long-term. Due to new legislation passed by the State, municipalities now have the power to implement plan design changes without following the traditional collective bargaining process. However, any change in contribution rates are still subject to that process. Municipalities can also elect to join the State insurance program under the Group Insurance Commission (GIC) as an alternative. In addition, all eligible retirees are required to join a Medicare plan, which will reduce Town costs.

The Town currently participates in the MIIA Health Benefits Trust, one of the largest municipal purchasing collaboratives in the nation and partner with Blue Cross Blue Shield of Massachusetts for its health insurance program. Under the new law, the trust voted to make plan design changes to deductibles and co-pays, which mirror those under the plan offered by the GIC. The plan design changes mitigated premium rate increases for three years and a mitigation fund was established to assist employees with co-pays and deductibles.

Credit Rating – The Town continues to manage its financial affairs in a prudent manner. Due to the Town's consistent and strong financial outlook, the Town has maintained a credit rating of "AAA" from Standard and Poor's since 2009, the highest bond rating given to any government within the State. The Town's management is viewed as "very strong" with strong, well embedded, and likely sustainable financial management policies and practices.

When budgeting, management's initiatives include conservative revenue and expenditure assumptions with a five-year historical trend analysis. Management maintains a five-year capital improvement plan and a formal five-year budget forecast.

Norwell also maintains basic debt and formal investment policies and provides reports to the Select Board. The debt management policy establishes an annual debt service ceiling of 10% and a floor of 2% on all bonded general fund debt, including debt exclusions, net of all subsidies. The policy also targets the retirement of 60% of debt within 10 years.

Management's adopted reserve policy calls for the maintenance of unassigned fund balance, plus an unrestricted stabilization fund balance, equal to no less than 5% of annual general fund expenditures, coupled with a target goal of 10-15%, to which the Town currently adheres. Strong budgetary flexibility is evident with an available fund balance in 2020 of 13.5% of operating expenditures, or \$7.64 million. In addition, the Stabilization Fund is restricted to non-recurring and/or capital expenditures no greater than 20% in the aggregate of the unrestricted stabilization fund balance in any fiscal year. Management evaluates the Town's fiscal policies on an annual basis to determine if the Town achieved the goals set forth by the policies which are fundamental to the budget process.

The Town annually adds to the Capital Expenditure Stabilization Fund established for funding future capital projects and supporting capital spending. Per the fiscal policy, any amount appropriated from the Fund shall be replenished within two fiscal years, in most cases, from "free cash". In FY2020, the Town appropriated \$223,025 bringing the fund balance up to \$1.725 million. Management initiates appropriations into the Capital Expenditure Stabilization Fund as part of the Town's annual operating budget in order to maintain a level debt operating budget by monitoring annual debt drop-off. The Town's certified "free cash" has sustained an average of \$2.1 million for the past 3 years and for the past several years, up to \$200,000 of the amount certified has been unappropriated as a management initiative resulting in a more favorable "free cash" position in the subsequent fiscal year.

Pension and other post-employment benefits – The Town of Norwell is a member of the Plymouth County Retirement System (the System) and fully funds each year's annual required contribution to the pension plan as determined by the actuary. Norwell's proportionate share of the System's net pension liability is 3.524%. The System has a net pension liability of \$682.2 million, with Norwell's proportionate share being \$24.04 million.

The Town of Norwell also provides post-employment health care benefits for certain retirees and their dependents, paid for on a pay-as-you-go basis. In accordance with the GASB Statement 75, the Town has updated its actuarial valuation. At June 30, 2020, the most recent actuarial valuation, Norwell's net OPEB liability was an estimated \$42.85 million. In addition, the Town established an OPEB trust, with a \$3.97 million balance at June 30, 2020. Management has initiated appropriations of \$120,000 to \$130,000 into the trust for the past 6 years as part of the Town's annual operating budget. Coupled with additional meals tax revenues of up to \$245,000 per year, the Town has transferred over \$2.1 million into the OPEB trust in the last 6 years. Moreover, in December of 2019, the Town formally adopted an OPEB funding policy based on the actuarially determined contributions required in order to fully fund the Trust in an approach that is equitable and sustainable.

Risk Management – The Town of Norwell manages its risk through a combination of self-insured programs for worker’s compensation and unemployment, and as a member of the Massachusetts Interlocal Insurance Association (MIIA), a public entity risk pool, for property, casualty and liability. MIIA is self-sustaining through member premiums and reinsures through commercial companies for stop loss insurance.

Awards and Acknowledgements

The Town was awarded the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for award.

Acknowledgements – The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the Finance Department. We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Select Board, Town Counsel, and the Advisory Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Town, including its finances. Special thanks are due to the audit firm of Melanson, for their advice and assistance in the preparation and the encouragement given to the financial departments.

Respectfully submitted,

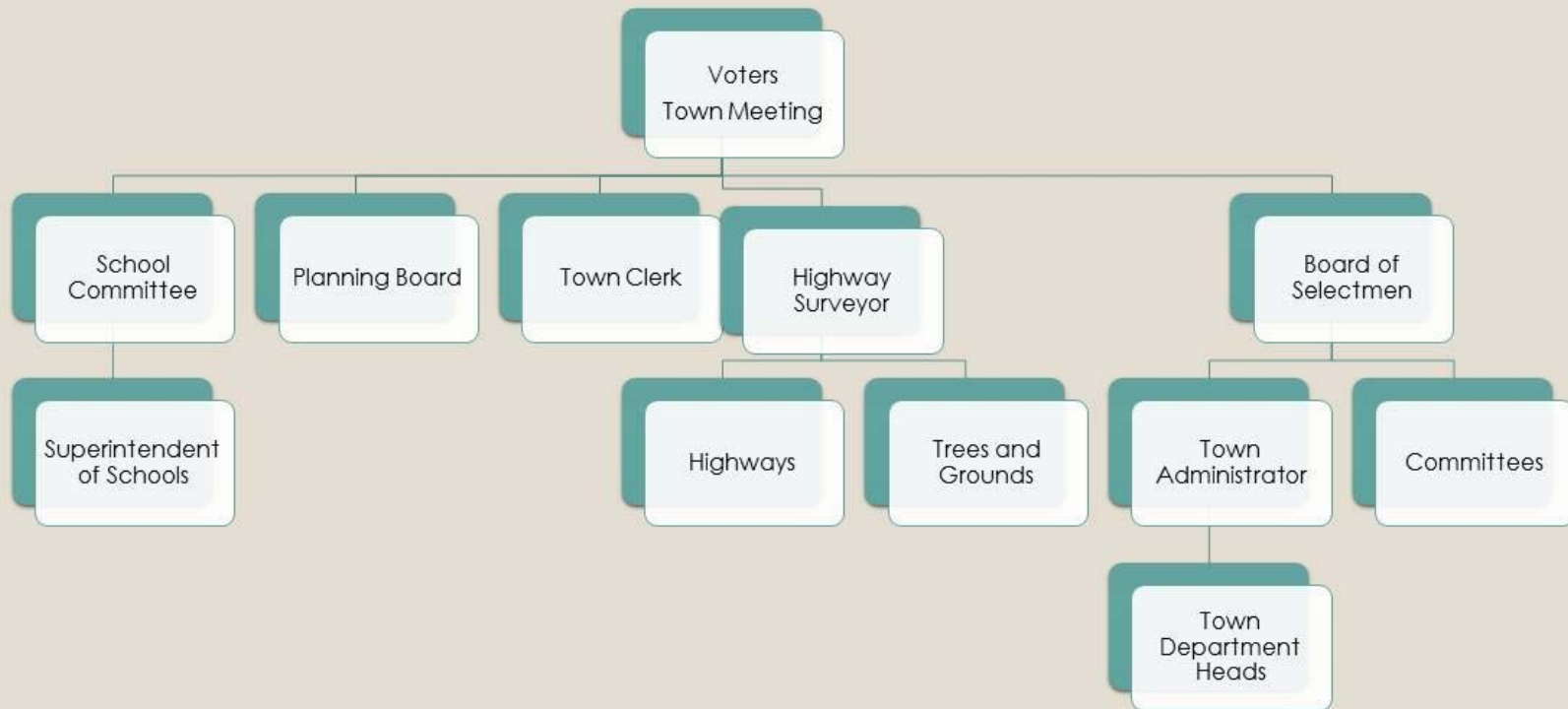


Peter J. Morin
Town Administrator



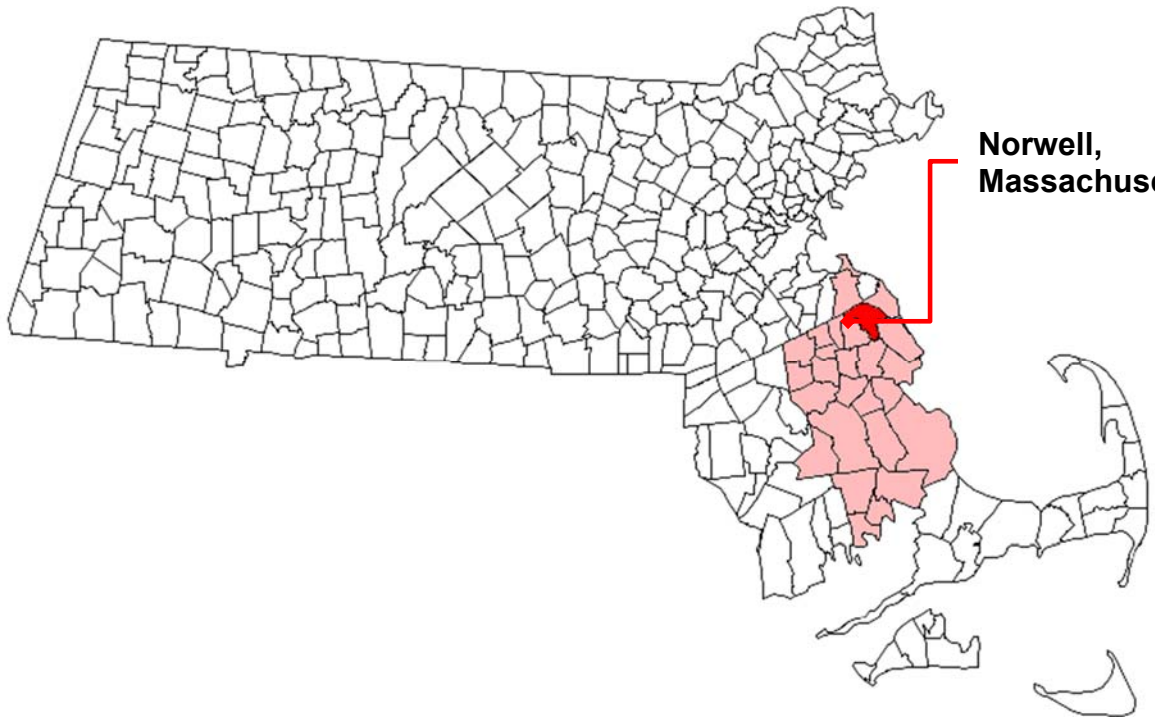
Donna G. Mangan
Finance Director/Town Accountant

Town of Norwell



Principal Town Officials

<u>Title</u>	<u>Name</u>	<u>Term</u>	<u>Term Expires</u>
Selectman	Jason Brown	Elected/3 yrs	2022
Selectman	Bruce Graham	Elected/3 yrs	2022
Selectman	Joseph Rull	Elected/3 yrs	2021
Selectman	Alison Demong	Elected/3 yrs	2021
Selectman	Ellen Allen	Elected/3 yrs	2023
Town Administrator	Peter Morin	Appointed/3 yrs	2021
Finance Director	Donna Mangan	Appointed/3 yrs	2021
Town Accountant	Donna Mangan	Appointed/3 yrs	2021
Treasurer/Collector	Darleen Sullivan	Appointed/3 yrs	2022
Assistant Assessor	Pam Davis (Interim)	Indefinite	
Town Clerk	Patricia Anderson	Elected/3 yrs	2023
Assessor	Joan Osborne	Elected/3 yrs	2022
Assessor	Robert Allen	Elected/3 yrs	2021
Assessor	Mary Horowitz	Elected/3 yrs	2023
Police Chief	Theodore Ross	Appointed/3 yrs	2023
Fire Chief	Andrew Reardon	Appointed/3 yrs	2023
Highway Surveyor	Glenn Ferguson	Elected/3 yrs	2022
Dir Land/Resource	Glenn Ferguson	Elected/3 yrs	2022
School Committee	Christina Kane	Elected/3 yrs	2022
School Committee	Patrick Reed	Elected/3 yrs	2022
School Committee	Mary Lou O'Leary	Elected/3 yrs	2021
School Committee	Kiersten Warendorf	Elected/3 yrs	2023
School Committee	Alison Link	Elected/3 yrs	2023
School Superintendent	Matthew Keegan	Appointed/3 yrs	2023



**Norwell,
Massachusetts**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Norwell
Massachusetts**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



Photo by Donna Mangan

Fifty-nine acre Jacobs Pond, which is part of a larger 270-acre conservation site off Jacobs Lane in Norwell features various recreational activities including hiking, boating, fishing and picnicking.

**FINANCIAL
SECTION**

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INDEPENDENT AUDITORS' REPORT

To the Select Board
Town of Norwell, Massachusetts

Report on the Financial Statements

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 Norwell, Massachusetts, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not



for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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 Norwell, Massachusetts, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison for the General Fund and major special revenue funds, and certain Pension and OPEB schedules be presented to supplement the basic financial statements. Such information, 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 evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the



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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2020 on our consideration of the Town of Norwell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Government's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Norwell's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Melanson".

Andover, Massachusetts
December 22, 2020

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BASIC FINANCIAL STATEMENTS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Norwell, Massachusetts (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required/ 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 our finances in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water activities.

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 financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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.

Proprietary funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for water operations, which is considered to be a major fund.

Fiduciary funds

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

Notes to financial statements

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

Required/other supplementary information (other than MD&A)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

Financial Highlights

- As of the close of the current fiscal year, net position of in the governmental activities was \$42,165,916, a change of \$6,090,676, and net position of in the business-type activities was \$8,024,431, a change of \$(533,688).
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$28,785,402, a change of \$5,584,872 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,642,280, a change of \$939,395 in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

	NET POSITION (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 34,121	\$ 30,376	\$ 2,149	\$ 2,547	\$ 36,270	\$ 32,923
Capital assets	<u>106,516</u>	<u>103,037</u>	<u>10,461</u>	<u>10,778</u>	<u>116,977</u>	<u>113,815</u>
Total assets	140,637	133,413	12,610	13,325	153,247	146,738
Deferred outflows of resources	4,141	5,535	191	255	4,332	5,790
Current Liabilities	4,599	78,344	287	3,912	4,886	82,256
Noncurrent liabilities	<u>83,739</u>	<u>4,952</u>	<u>3,832</u>	<u>209</u>	<u>87,571</u>	<u>5,161</u>
Total liabilities	88,338	83,296	4,119	4,121	92,457	87,417
Deferred inflows of resources	14,274	19,577	657	901	14,931	20,478
Net investment in capital assets	91,938	89,371	9,511	9,787	101,450	99,158
Restricted	10,044	8,445	-	-	10,044	8,445
Unrestricted	<u>(59,816)</u>	<u>(61,741)</u>	<u>(1,487)</u>	<u>(1,229)</u>	<u>(61,303)</u>	<u>(62,970)</u>
Total net position	<u>\$ 42,166</u>	<u>\$ 36,075</u>	<u>\$ 8,024</u>	<u>\$ 8,558</u>	<u>\$ 50,190</u>	<u>\$ 44,633</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$42,165,916, a change of \$6,090,676 in comparison to the prior year.

The largest portion of net position \$91,938,150 reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this

debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position \$10,043,948 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of \$(59,816,182) primarily resulting from unfunded pension and OPEB liabilities.

CHANGES IN NET POSITION (in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,909	\$ 4,301	\$ 2,041	\$ 1,912	\$ 5,950	\$ 6,213
Operating grants and contributions	15,111	12,715	-	-	15,111	12,715
Capital grants and contributions	1,709	1,981	-	-	1,709	1,981
General revenues:						
Property taxes	46,906	45,513	-	-	46,906	45,513
Excises	2,495	2,467	-	-	2,495	2,467
Grants and contributions not restricted to specific programs	1,297	1,246	-	-	1,297	1,246
Investment income	563	741	-	-	563	741
Other	901	829	-	2	901	831
Total revenues	<u>72,891</u>	<u>69,793</u>	<u>2,041</u>	<u>1,914</u>	<u>74,932</u>	<u>71,707</u>
Expenses:						
General government	4,450	4,593	-	-	4,450	4,593
Public safety	8,133	7,843	-	-	8,133	7,843
Education	46,623	44,355	-	-	46,623	44,355
Public works	4,084	3,897	-	-	4,084	3,897
Human services	1,806	1,807	-	-	1,806	1,807
Culture and recreation	1,141	1,471	-	-	1,141	1,471
Interest on long-term debt	563	580	-	-	563	580
Water services	-	-	2,575	1,996	2,575	1,996
Total expenses	<u>66,800</u>	<u>64,546</u>	<u>2,575</u>	<u>1,996</u>	<u>69,375</u>	<u>66,542</u>
Change in net position	6,091	5,247	(534)	(82)	5,557	5,165
Net position - beginning of year	<u>36,075</u>	<u>30,828</u>	<u>8,558</u>	<u>8,640</u>	<u>44,633</u>	<u>39,468</u>
Net position - end of year	<u>\$ 42,166</u>	<u>\$ 36,075</u>	<u>\$ 8,024</u>	<u>\$ 8,558</u>	<u>\$ 50,190</u>	<u>\$ 44,633</u>

Governmental activities

Governmental activities for the year resulted in a change in net position of \$6,090,676. Key elements of this change are as follows:

General fund operations	\$	1,115,390
Acquisition of capital assets from CPA Revenues		565,989
Library capital grants		1,272,153
Excess Circuit Breaker revenues		454,452
Change in other post employment benefits liability and related deferred outflows/inflows		3,683,339
Change in net pension liability and related deferred outflows/inflows		(1,151,875)
Other		151,228
Total	\$	<u>6,090,676</u>

Business-type activities

Business-type activities for water operations for the year resulted in a change in net position of \$(533,688). Key elements of this change result from increased maintenance costs.

Financial Analysis of the Town’s Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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

General Fund

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,642,280 while total fund balance was \$14,105,225. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>	% of General <u>Fund Expenditures*</u>
Unassigned fund balance	\$ 7,642,280	\$ 6,702,885	\$ 939,395	13.5%
Total fund balance	\$ 14,105,225	\$ 12,989,835	\$ 1,115,390	25.0%

*Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth to the Massachusetts Teachers Retirement System of \$3,742,073.

The total fund balance of the general fund changed by \$1,115,390 during the current fiscal year. Key factors in this change are as follows:

Use of free cash as a funding source	\$ (1,927,096)
Use of overlay surplus as a funding source	(1,571,700)
Revenues in excess of budget	2,513,601
Expenditures less than budget	905,714
Excess of current year encumbrances to be spent in the subsequent year over prior year encumbered appropriations	961,157
Increase in stabilization fund balances	557,782
Other	<u>(324,068)</u>
Total	<u>\$ 1,115,390</u>

Included in the total general fund balance are the Town's stabilization accounts with the following balances:

	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>
Stabilization Fund	\$ 2,064,099	\$ 1,830,374	\$ 233,725
Capital Stabilization Fund	1,725,602	1,474,494	251,108
Athletic Field Stabilization Fund	434,974	363,240	71,734
Special Education Stabilization Fund	<u>102,553</u>	<u>101,338</u>	<u>1,215</u>
Total	<u>\$ 4,327,228</u>	<u>\$ 3,769,446</u>	<u>\$ 557,782</u>

Other Major Funds

Community Preservation Act – State legislation allows the Town to fund property taxes and state matching funds to finance projects such as preservation of historical buildings. Capital expenditures in the current year resulted from the development of the Osborne Ballfield and Gaffield Park Playground.

Library Construction Fund – Used to account for the activity related to the construction of the new Town Library. At the December 2017 Special Town meeting, article 2 authorized a debt exclusion borrowing of \$14.9 million for the architectural design, engineering, and construction of the library. The Massachusetts Public Library Construction Program issued the Town a construction grant of \$6.36 million to aid in the construction costs.

Non-Major Governmental Funds

The non-major fund balance changed by \$1,043,812 primarily from timing differences between the receipt and disbursement of grants and permanent financing of capital projects.

Proprietary funds

Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise fund at the end of the year amounted to \$(1,486,950), a change of \$(250,380) in comparison to the prior year, resulting primarily from an increase in maintenance costs.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$477,095. The major reasons for this increase was a \$360,000 article for the engineering and construction of the new Town Hall.

These increases were funded by the use of overlay surplus of \$360,000 and use of free cash of \$117,095. Additionally, there were other budgetary reclassifications during the fiscal year which had no impact on the Town's total budget.

The Town's actual revenues as compared to budget show a \$2,513,601 favorable variance, the largest of which, \$951,499 resulted from property tax surplus.

Capital Asset and Debt Administration

Capital assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$116,977,038 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- Library construction in progress of \$5,149,824
- Fire Pumper purchase of \$582,843

Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-term debt

At the end of the current fiscal year, total bonded debt outstanding was \$20,163,742, all of which was backed by the full faith and credit of the government.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the Town of Norwell'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:

Office of Finance Director
Town of Norwell
345 Main Street
Norwell, Massachusetts 02061

TOWN OF NORWELL, MASSACHUSETTS

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and short-term investments	\$ 27,553,501	\$ 1,389,382	\$ 28,942,883
Investments	2,542,758	-	2,542,758
Receivables, net of allowance for uncollectibles:			
Property taxes	614,429	-	614,429
Excises	198,886	-	198,886
User fees	-	759,048	759,048
Departmental and other	151,095	-	151,095
Intergovernmental	399,817	-	399,817
Total Current Assets	31,460,486	2,148,430	33,608,916
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	626,109	-	626,109
Intergovernmental	1,969,742	-	1,969,742
Betterments not yet due	65,097	-	65,097
Capital Assets:			
Land and construction in progress	41,717,648	828,057	42,545,705
Other capital assets, net of accumulated depreciation	64,798,009	9,633,324	74,431,333
Total Noncurrent Assets	109,176,605	10,461,381	119,637,986
Total Assets	140,637,091	12,609,811	153,246,902
Deferred Outflows of Resources			
Related to pensions	3,040,982	139,962	3,180,944
Related to OPEB	1,100,274	50,640	1,150,914
Total Deferred Outflows of Resources	4,141,256	190,602	4,331,858
Liabilities			
Current:			
Warrants payable	618,592	119,104	737,696
Accrued liabilities	769,589	8,761	778,350
Tax refunds payable	27,600	-	27,600
Other current liabilities	488,076	-	488,076
Current portion of long-term liabilities:			
Bonds payable	2,556,629	155,000	2,711,629
Compensated absences	139,143	4,883	144,026
Total Current Liabilities	4,599,629	287,748	4,887,377
Noncurrent:			
Bonds payable, net of current portion	17,140,816	795,000	17,935,816
Net pension liability	22,985,192	1,057,896	24,043,088
Net OPEB liability	40,968,659	1,885,587	42,854,246
Compensated absences	2,643,717	92,770	2,736,487
Total Noncurrent Liabilities	83,738,384	3,831,253	87,569,637
Total Liabilities	88,338,013	4,119,001	92,457,014
Deferred Inflows of Resources			
Related to pensions	557,242	25,647	582,889
Related to OPEB	13,717,176	631,334	14,348,510
Total Deferred Inflows of Resources	14,274,418	656,981	14,931,399
Net Position			
Net investment in capital assets	91,938,150	9,511,381	101,449,531
Restricted for:			
Grants and other statutory restrictions	9,084,975	-	9,084,975
Permanent funds:			
Nonexpendable	487,306	-	487,306
Expendable	471,667	-	471,667
Unrestricted	(59,816,182)	(1,486,950)	(61,303,132)
Total Net Position	\$ 42,165,916	\$ 8,024,431	\$ 50,190,347

The accompanying notes are an integral part of these financial statements.

TOWN OF NORWELL

Statement of Activities
For the Year Ended June 30, 2020

		Program Revenues			Net (Expenses) Revenues
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities					
General government	\$ 4,449,682	\$ 624,772	\$ 1,091,000	\$ -	\$ (2,733,910)
Public safety	8,132,401	1,250,010	32,374	-	(6,850,017)
Education	46,623,371	1,332,839	13,906,898	-	(31,383,634)
Public works	4,083,984	37,302	-	436,712	(3,609,970)
Health and human services	1,805,745	171,430	61,745	-	(1,572,570)
Culture and recreation	1,141,329	492,766	19,136	1,272,153	642,726
Interest on long-term debt	563,340	-	-	-	(563,340)
Total Governmental Activities	66,799,852	3,909,119	15,111,153	1,708,865	(46,070,715)
Business-Type Activities					
Water services	2,574,502	2,040,814	-	-	(533,688)
Total Business-Type Activities	2,574,502	2,040,814	-	-	(533,688)
Total	\$ 69,374,354	\$ 5,949,933	\$ 15,111,153	\$ 1,708,865	\$ (46,604,403)

(continued)

TOWN OF NORWELL

Statement of Activities
For the Year Ended June 30, 2020

(continued)

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Change in net (expenses) revenues from previous page	\$ (46,070,715)	\$ (533,688)	\$ (46,604,403)
General Revenues:			
Property taxes	46,905,811	-	46,905,811
Excise taxes	2,495,355	-	2,495,355
Grants and contributions not restricted to specific programs	1,297,255	-	1,297,255
Investment income	562,459	-	562,459
Other	<u>900,511</u>	<u>-</u>	<u>900,511</u>
Total General Revenues	<u>52,161,391</u>	<u>-</u>	<u>52,161,391</u>
Change in Net Position	6,090,676	(533,688)	5,556,988
Net Position:			
Beginning of Year	<u>36,075,240</u>	<u>8,558,119</u>	<u>44,633,359</u>
End of Year	<u><u>\$ 42,165,916</u></u>	<u><u>\$ 8,024,431</u></u>	<u><u>\$ 50,190,347</u></u>

TOWN OF NORWELL, MASSACHUSETTS

Governmental Funds
Balance Sheet
June 30, 2020

	<u>General</u>	<u>Community Preservation Fund</u>	<u>Library Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and short-term investments	\$ 14,844,534	\$ 4,845,020	\$ 4,226,744	\$ 3,637,203	\$ 27,553,501
Investments	450,781	-	-	2,091,977	2,542,758
Receivables:					
Property taxes	1,388,538	-	-	-	1,388,538
Excises	304,886	-	-	-	304,886
Departmental and other	176,158	5,937	-	-	182,095
Intergovernmental	-	-	-	399,817	399,817
Betterments not yet due	-	-	-	65,097	65,097
Due from other funds	216,943	-	-	-	216,943
Total Assets	\$ <u>17,381,840</u>	\$ <u>4,850,957</u>	\$ <u>4,226,744</u>	\$ <u>6,194,094</u>	\$ <u>32,653,635</u>
Liabilities					
Warrants payable	\$ 404,216	\$ 33,394	\$ -	\$ 180,982	\$ 618,592
Accrued liabilities	576,406	-	-	-	576,406
Tax refunds payable	27,600	-	-	-	27,600
Prepaid user fees	-	-	-	89,264	89,264
Due to other funds	-	-	-	216,943	216,943
Other liabilities	398,812	-	-	-	398,812
Total Liabilities	1,407,034	33,394	-	487,189	1,927,617
Deferred Inflows of Resources					
Unavailable revenues	1,869,581	5,938	-	65,097	1,940,616
Fund Balances					
Nonspendable	-	-	-	487,306	487,306
Restricted	428,644	4,811,625	4,226,744	4,782,915	14,249,928
Committed	4,332,963	-	-	403,000	4,735,963
Assigned	1,701,338	-	-	-	1,701,338
Unassigned	7,642,280	-	-	(31,413)	7,610,867
Total Fund Balances	<u>14,105,225</u>	<u>4,811,625</u>	<u>4,226,744</u>	<u>5,641,808</u>	<u>28,785,402</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>17,381,840</u>	\$ <u>4,850,957</u>	\$ <u>4,226,744</u>	\$ <u>6,194,094</u>	\$ <u>32,653,635</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NORWELL

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
in the Statement of Net Position
June 30, 2020

Total governmental fund balances	\$ 28,785,402
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	106,515,657
• Long-term receivable not reported in governmental funds.	1,969,742
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,655,616
• Long-term liabilities, including bonds payable, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(96,567,318)
• Other	<u>(193,183)</u>
Net position of governmental activities	<u>\$ 42,165,916</u>

TOWN OF NORWELL, MASSACHUSETTS

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2020

	<u>General</u>	<u>Community Preservation Fund</u>	<u>Library Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 46,244,587	\$ 1,166,288	\$ -	\$ -	\$ 47,410,875
Excises	2,421,952	-	-	-	2,421,952
Penalties, interest and other taxes	329,986	-	-	-	329,986
Charges for services	1,288,350	-	-	1,907,890	3,196,240
Intergovernmental	9,816,898	330,874	1,272,153	3,165,706	14,585,631
Licenses and permits	710,388	-	-	-	710,388
Fines and forfeitures	25,326	-	-	-	25,326
Investment income	336,187	65,037	34,511	126,724	562,459
Miscellaneous	<u>453,105</u>	<u>-</u>	<u>-</u>	<u>117,463</u>	<u>570,568</u>
Total Revenues	61,626,779	1,562,199	1,306,664	5,317,783	69,813,425
Expenditures					
General government	2,310,901	641,072	-	722,910	3,674,883
Public safety	7,445,304	-	-	17,148	7,462,452
Education	32,323,007	-	-	2,834,733	35,157,740
Public works	2,343,066	-	-	467,338	2,810,404
Health and human services	1,496,003	-	-	131,602	1,627,605
Culture and recreation	723,319	-	5,305,824	459,296	6,488,439
Employee benefits	9,376,065	-	-	-	9,376,065
Debt service					
Principal	2,230,000	-	-	7,444	2,237,444
Interest	504,738	-	-	-	504,738
Intergovernmental	<u>1,392,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,392,486</u>
Total Expenditures	<u>60,144,889</u>	<u>641,072</u>	<u>5,305,824</u>	<u>4,640,471</u>	<u>70,732,256</u>
Excess (deficiency) of revenues over expenditures	1,481,890	921,127	(3,999,160)	677,312	(918,831)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	6,020,000	-	6,020,000
Bond premiums	-	-	483,703	-	483,703
Transfers in	26,500	-	-	403,000	429,500
Transfers out	<u>(393,000)</u>	<u>-</u>	<u>-</u>	<u>(36,500)</u>	<u>(429,500)</u>
Total Other Financing Sources (Uses)	<u>(366,500)</u>	<u>-</u>	<u>6,503,703</u>	<u>366,500</u>	<u>6,503,703</u>
Change in fund balance	1,115,390	921,127	2,504,543	1,043,812	5,584,872
Fund Balance, at Beginning of Year	<u>12,989,835</u>	<u>3,890,498</u>	<u>1,722,201</u>	<u>4,597,996</u>	<u>23,200,530</u>
Fund Balance, at End of Year	<u>\$ 14,105,225</u>	<u>\$ 4,811,625</u>	<u>\$ 4,226,744</u>	<u>\$ 5,641,808</u>	<u>\$ 28,785,402</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NORWELL

Reconciliation of the Statement of Revenues, Expenditures, and Changes
In Fund Balances of Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2020

Net changes in fund balances - total governmental funds	\$ 5,584,872																				
<ul style="list-style-type: none"> • 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: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Capital outlay</td> <td style="text-align: right;">6,928,308</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(3,449,811)</td> </tr> </table> • The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Issuance of debt</td> <td style="text-align: right;">(6,020,000)</td> </tr> <tr> <td>Repayments of debt</td> <td style="text-align: right;">2,237,444</td> </tr> <tr> <td>Premiums received on issuance of general obligation bonds</td> <td style="text-align: right;">(483,703)</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">(505,436)</td> </tr> </table> • 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: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Change in pension expense from GASB 68</td> <td style="text-align: right;">(1,151,875)</td> </tr> <tr> <td>Change in OPEB expense from GASB 75</td> <td style="text-align: right;">3,683,339</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">(131,727)</td> </tr> </table> • Other differences. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right; border-top: 1px solid black;">(600,735)</td> </tr> </table> 		Capital outlay	6,928,308	Depreciation	(3,449,811)	Issuance of debt	(6,020,000)	Repayments of debt	2,237,444	Premiums received on issuance of general obligation bonds	(483,703)		(505,436)	Change in pension expense from GASB 68	(1,151,875)	Change in OPEB expense from GASB 75	3,683,339	Other	(131,727)		(600,735)
Capital outlay	6,928,308																				
Depreciation	(3,449,811)																				
Issuance of debt	(6,020,000)																				
Repayments of debt	2,237,444																				
Premiums received on issuance of general obligation bonds	(483,703)																				
	(505,436)																				
Change in pension expense from GASB 68	(1,151,875)																				
Change in OPEB expense from GASB 75	3,683,339																				
Other	(131,727)																				
	(600,735)																				
Change in net position of governmental activities	\$ <u><u>6,090,676</u></u>																				

TOWN OF NORWELL, MASSACHUSETTS

Proprietary Funds
Statement of Net Position
June 30, 2020

	Business-Type Activities <u>Enterprise Funds</u> Water <u>Fund</u>
Assets	
Current:	
Cash and short-term investments	\$ 1,389,382
User fees, net of allowance for uncollectibles	<u>759,048</u>
Total current assets	2,148,430
Noncurrent:	
Capital assets	
Land and construction in progress	828,057
Other capital assets, net of accumulated depreciation	<u>9,633,324</u>
Total noncurrent assets	<u>10,461,381</u>
Total Assets	12,609,811
Deferred Outflows of Resources	
Related to pensions	139,962
Related to OPEB	<u>50,640</u>
Total Deferred Outflows of Resources	190,602
Liabilities	
Current:	
Warrants payable	119,104
Accrued liabilities	8,761
Current portion of long-term liabilities:	
Bonds payable	155,000
Compensated absences	<u>4,883</u>
Total current liabilities	287,748
Noncurrent:	
Bonds payable, net of current portion	795,000
Net pension liability	1,057,896
Net OPEB liability	1,885,587
Compensated absences	<u>92,770</u>
Total noncurrent liabilities	<u>3,831,253</u>
Total Liabilities	4,119,001
Deferred Inflows of Resources	
Related to pensions	25,647
Related to OPEB	<u>631,334</u>
Total Deferred Inflows of Resources	656,981
Net Position	
Net investment in capital assets	9,511,381
Unrestricted	<u>(1,486,950)</u>
Total Net Position	<u>\$ 8,024,431</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NORWELL, MASSACHUSETTS

Proprietary Funds
Statement Of Revenues, Expenses And Changes In Fund Net Position
For the Year Ended June 30, 2020

	Business-Type Activities <u>Enterprise Funds</u>
	<u>Water Fund</u>
Operating Revenues	
Charges for services	\$ 2,038,146
Other	<u>2,668</u>
Total Operating Revenues	2,040,814
Operating Expenses	
Salaries and benefits	493,899
Other operating expenses	1,649,707
Depreciation	<u>398,383</u>
Total Operating Expenses	<u>2,541,989</u>
Operating Income (Loss)	(501,175)
Nonoperating Revenues (Expenses)	
Interest expense	<u>(32,513)</u>
Change in Net Position	(533,688)
Net Position at Beginning of Year	<u>8,558,119</u>
Net Position at End of Year	<u>\$ 8,024,431</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NORWELL
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020

	Business-Type Activities <u>Enterprise Funds</u> Water <u>Fund</u>
Cash Flows From Operating Activities	
Receipts from customers and users	\$ 1,916,545
Payments to employees	(598,524)
Payments to vendors	<u>(1,571,748)</u>
Net Cash (Used For) Operating Activities	(253,727)
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	(81,909)
Principal payments on bonds	(155,000)
Interest expense	<u>(32,513)</u>
Net Cash (Used For) Capital and Related Financing Activities	<u>(269,422)</u>
Net Change in Cash and Short-Term Investments	(523,149)
Cash and Short-Term Investments, Beginning of Year	<u>1,912,531</u>
Cash and Short-Term Investments, End of Year	<u>\$ 1,389,382</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities	
Operating income (loss)	\$ (501,175)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	398,383
Changes in assets, liabilities, and deferred outflows/inflows:	
User fees	(124,269)
Deferred outflows - related to pensions	114,791
Deferred outflows - related to OPEB	(50,640)
Warrants and accounts payable	79,196
Accrued liabilities	10,649
Net pension liability	(65,159)
Net OPEB liability	128,569
Deferred inflows - related to pensions	3,383
Deferred inflows - related to OPEB	<u>(247,455)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (253,727)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NORWELL

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2020

	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets			
Cash and short-term investments	\$ -	\$ 2,434	\$ 647,108
Investments:			
Corporate bonds	158,085	31,838	-
Corporate equities	3,037,033	43,624	-
Equity mutual funds	53,496	2,305	-
Fixed income mutual funds	365,695	9,393	-
U.S. Treasury and agencies	<u>358,562</u>	<u>47,636</u>	<u>-</u>
Total Investments	3,972,871	134,796	-
Accounts receivable	<u>-</u>	<u>-</u>	<u>48,436</u>
Total Assets	3,972,871	137,230	695,544
Liabilities			
Accounts payable	-	-	78,026
Other liabilities	<u>-</u>	<u>-</u>	<u>617,518</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 695,544</u>
Net Position			
Restricted for OPEB purposes	3,972,871	-	
Restricted for individual organizations and other governments	<u>-</u>	<u>137,230</u>	
Total Net Position	<u>\$ 3,972,871</u>	<u>\$ 137,230</u>	

The accompanying notes are an integral part of these financial statements.

TOWN OF NORWELL

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust Funds</u>
Additions		
Contributions:		
Employers	\$ <u>2,691,119</u>	\$ <u>-</u>
Total contributions	2,691,119	-
Investment Income (Loss):		
Interest	99,001	-
Increase (decrease) in fair value of investments	<u>-</u>	<u>11,731</u>
Net investment income (loss)	<u>99,001</u>	<u>11,731</u>
Total Additions	2,790,120	11,731
Deductions		
Benefit payments to plan members, beneficiaries and other systems	2,309,487	-
Other	<u>876</u>	<u>9,001</u>
Total Deductions	<u>2,310,363</u>	<u>9,001</u>
Net Increase (Decrease)	479,757	2,730
Net Position Restricted for Pensions and Other Purposes		
Beginning of year	<u>3,493,114</u>	<u>134,500</u>
End of year	<u>\$ <u>3,972,871</u></u>	<u>\$ <u>137,230</u></u>

The accompanying notes are an integral part of these financial statements.

TOWN OF NORWELL, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Norwell, Massachusetts (the Town), conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

The Town is a municipal corporation governed by an elected Select Board. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2020, it was determined that no entities met the required GASB 14 (as amended) criteria of component units.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements

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

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*. Revenues are recorded when earned and expenses are

recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The Town reports the following major governmental funds:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The community preservation fund accounts for the acquisition, creation, and preservation of open space, historic resources, and community housing.
- The library construction fund accounts for funds used for the construction of the Town's library.

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

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

are reported as nonoperating revenues and expenses. The Town reports the one major proprietary fund for water operations.

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

The Town reports the following fiduciary funds:

- The *other post-employment benefit trust fund* is used to accumulate resources for health and life insurance benefits for retired employees.
- 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.
- The *agency funds* account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. Agency funds report only assets and liabilities, and therefore, have no measurement focus.

Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the general fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. Generally, a cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments".

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be cash equivalents.

Investments, generally, are presented at fair value. Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using the net asset value (NAV). The NAV per share is the amount of net assets attributable to each share of capital stock outstanding at the close of the period investments measured at the NAV for fair value are not subject to level classification.

The Town's investments in the Massachusetts Municipal Depository Trust (MMDT) Cash Portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. This cash portfolio meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and investments are valued at amortized cost.

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Property Tax Limitations

Legislation known as “Proposition 2½” has limited the amount of revenue that can be derived from property taxes. The prior fiscal year’s tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth), unless an override is voted. The actual fiscal year 2020 tax levy reflected an excess capacity of \$9,417. Certain provisions of Proposition 2 ½ can be overridden by a referendum.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Infrastructure	30 - 75
Vehicles	5
Office equipment	5
Computer equipment	5

Compensated Absences

It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance

Generally, fund balance represents the difference between the current assets/deferred outflows and current liabilities/deferred inflows. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

Use of Estimates

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

2. Stewardship, Compliance, and Accountability

Budgetary Information

At the annual town meeting, the Advisory Board presents an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted

by town meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at special town meetings as required by changing conditions. In cases of extraordinary or unforeseen expenses, the Finance Committee is empowered to transfer funds from the reserve fund (a contingency appropriation) to a departmental appropriation. "Extraordinary" includes expenses which are not in the usual line, or are great or exceptional. "Unforeseen" includes expenses which are not foreseen as of the time of the annual meeting when appropriations are voted.

The legal spending limit mirrors the way the budget is voted at town meeting. Typically, each department is limited by two categories, salaries and expenses. Certain items may exceed the line item budget as approved if it is for an emergency and for the safety of the general public. These items are limited by the Massachusetts General Laws and must be raised in the next year's tax rate.

Formal budgetary integration is employed as a management control device during the year for the general fund and proprietary funds.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

3. Deposits and Investments

Town (Excluding the OPEB Trust Fund)

State statutes (MGL Chapter 44, Section 55) place certain limitation on the nature of deposits and investments available to the Town. Deposits, including demand deposits, money markets, certificates of deposits in any one financial institution, may not exceed 60% of the capital and surplus of such institution unless collateralized by the institution involved. Investments may be made in unconditionally guaranteed U.S. government obligations have maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consists of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, national banks and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by GASB 79, *Certain External Investment Pools and Pool Participants*, to report its investments at amortized cost, which approximates the net asset value of 1.00 per share. MMDT has a maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44, Section 54 provides additional investment options for certain special revenue, trust and OPEB funds.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the Town's deposits may not be returned. The Town does not have formal deposit policies related to the custodial credit risk of deposits.

As of June 30, 2020, \$3,384,143, of the Town's bank balance of \$30,072,039 was exposed to custodial credit risk as uninsured and uncollateralized.

Investment Summary

The following is a summary of the Town's investments as of June 30, 2020:

<u>Investment Type</u>	<u>Amount</u>
Corporate bonds	\$ 632,413
Corporate equities	866,533
Equity mutual funds	45,781
Fixed income mutual funds	186,595
U.S. Treasury and agencies	<u>946,232</u>
Total Investments	<u>\$ 2,677,554</u>

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town does not have formal investment policies related to custodial credit risk.

As of June 30, 2020, all of the Town's total investments were subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the Town's brokerage firm.

<u>Investment Type</u>	<u>Amount</u>	Held by <u>Counterparty's Trust or Agent</u>
Corporate bonds	\$ 632,413	\$ 632,413
Corporate equities	866,533	866,533
Equity mutual funds	45,781	45,781
Fixed income mutual funds	186,595	186,595
U.S. Treasury and agencies	<u>946,232</u>	<u>946,232</u>
Total	<u>\$ 2,677,554</u>	<u>\$ 2,677,554</u>

Credit Risk – Investments of Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Town does not have formal investment policies related to credit risk.

As of June 30, 2020, the credit quality ratings, as rated by Moody's Investors Service, Inc. of the Town's debt securities are as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Rating as of Year End</u>		
		<u>A</u>	<u>BBB</u>	<u>Unrated</u>
Corporate bonds	\$ 632,413	\$ 365,580	\$ 266,833	\$ -
Fixed income mutual funds	<u>186,595</u>	<u>-</u>	<u>-</u>	<u>186,595</u>
Total	<u>\$ 819,008</u>	<u>\$ 365,580</u>	<u>\$ 266,833</u>	<u>\$ 186,595</u>

Concentration of Credit Risk - Investments

Concentration of credit risk is the risk of loss attributable to the magnitude of the Town of Norwell's investment in a single issuer. The Town of Norwell places no limit on the amount invested in any one issuer. The Town does not have formal investment policies related to concentration of credit risk exposure.

Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit disclosure.

As of June 30, 2020, the Town of Norwell does not have investments in any one issue that exceeded 5% of total investments.

Interest Rate Risk – Investments of Debt Securities

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
Corporate bonds	632,413	152,319	242,189	237,905
Fixed income mutual funds	186,595	-	186,595	-
U.S. Treasury and agencies	<u>946,232</u>	<u>50,450</u>	<u>753,405</u>	<u>142,377</u>
Total	<u>\$ 1,765,240</u>	<u>\$ 202,769</u>	<u>\$ 1,182,189</u>	<u>\$ 380,282</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town does not have formal investment policies related to foreign currency risk.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The Town has the following fair value measurements as of June 30, 2020:

<u>Investment Type</u>	<u>Amount</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investments by fair value level:				
Corporate bonds	\$ 632,413	\$ -	\$ 632,413	\$ -
Corporate equities	866,533	866,533	-	-
Equity mutual funds	45,781	45,781	-	-
Fixed income mutual funds	186,595	-	186,595	-
U.S. Treasury and agencies	<u>946,232</u>	-	946,232	-
Total	<u>\$ 2,677,554</u>			

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

4. Investments - OPEB Trust Fund

Generally, the Town's OPEB investment policies mirror that the Town as discussed in the previous note.

The following is a summary of the OPEB Trust Fund's investments as of June 30, 2020:

<u>Investment Type</u>	<u>Amount</u>
Corporate bonds	\$ 158,085
Corporate equities	3,037,033
Equity mutual funds	53,496
Fixed income mutual funds	365,695
U.S. Treasury and agencies	<u>358,562</u>
Total Investments	<u>\$ 3,972,871</u>

Custodial Credit Risk

As of June 30, 2020, all of the OPEB Trust Fund’s total investments were subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the OPEB Trust Fund’s brokerage firm, which is also the counterparty to these securities as follows:

<u>Investment Type</u>	<u>Amount</u>	Held by Counterparty's <u>Trust or Agent</u>
Corporate bonds	\$ 158,085	\$ 158,085
Corporate equities	3,037,033	3,037,033
Equity mutual funds	53,496	53,496
Fixed income mutual funds	365,695	365,695
U.S. Treasury and agencies	358,562	358,562
Total	<u>\$ 3,972,871</u>	<u>\$ 3,972,871</u>

Credit Risk – Investments of Debt Securities

Presented below is the actual rating as of year-end for each investment type as of year-end for debt-related investment of the OPEB Trust Fund. (All federal agency securities have an implied credit rating of AAA.):

<u>Investment Type</u>	<u>Amount</u>	<u>Rating as of Year End</u>				
		<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>Unrated</u>
Corporate bonds	\$ 158,085	\$ 25,165	\$ 105,032	\$ 27,888	\$ -	\$ -
Fixed income mutual funds	365,695	-	-	-	32,765	332,930
Total	<u>\$ 523,780</u>	<u>\$ 25,165</u>	<u>\$ 105,032</u>	<u>\$ 27,888</u>	<u>\$ 32,765</u>	<u>\$ 332,930</u>

Concentration of Credit Risk

Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit disclosure.

As of June 30, 2020, the OPEB Trust Fund does not have an investment in one issuer greater than 5% of total investments.

Interest Rate Risk

Information about the sensitivity of the fair values of the OPEB Trust Fund's investments to market interest rate fluctuations is as follows (in thousands):

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Thereafter</u>
Corporate bonds	\$ 158,085	\$ 50,649	\$ 79,548	\$ 27,888	\$ -
Fixed income mutual funds	365,695	-	181,375	144,018	40,302
U.S. Treasury and agencies	<u>358,562</u>	<u>-</u>	<u>277,616</u>	<u>80,946</u>	<u>-</u>
Total	<u>\$ 882,342</u>	<u>\$ 50,649</u>	<u>\$ 538,539</u>	<u>\$ 252,852</u>	<u>\$ 40,302</u>

Fair Value

The OPEB Trust Fund has the following fair value measurements as of June 30, 2020:

<u>Investment Type</u>	<u>Amount</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investments by fair value level:				
Corporate bonds	\$ 158,085	\$ -	\$ 158,085	\$ -
Corporate equities	3,037,033	3,037,033	-	-
Equity mutual funds	53,496	53,496	-	-
Fixed income mutual funds	365,695	-	365,695	-
U.S. Treasury and agencies	<u>358,562</u>	<u>-</u>	<u>358,562</u>	<u>-</u>
Total	<u>\$ 3,972,871</u>			

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

5. Property Taxes and Excises Receivable

Real and personal property taxes are based on market values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Also by law, property taxes must be levied at least 30 days prior to their due date. Once levied, these taxes are recorded as receivables, net of estimated uncollectible balances. Property tax revenues have been recorded using the accrual and modified accrual basis of accounting on the government-wide and fund basis statements accordingly.

The Town bills and collects its property taxes on a quarterly basis following the January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid generally occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as "Proposition 2 ½" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½% of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 1/2 % of the prior year's levy plus the taxes on property newly added to the tax rolls.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 of value.

Boat excise taxes are assessed annually for all water vessels, including documented boats and ships, used or capable of being used for transportation on water. A boat excise is assessed by the community where the vessel is moored. July 1 is the assessing date for all vessels, and the boat excise due is calculated using a fixed rate of \$10 per \$1,000 of value.

Property taxes and excise receivables at June 30, 2020 consist of the following (in thousands):

	Gross Amount <u>(fund basis)</u>	Allowance for Doubtful <u>Accounts</u>	Current <u>Portion</u>	Long- Term <u>Portion</u>
Real estate taxes	\$ 486	\$ 56	\$ 430	\$ -
Personal property taxes	34	22	12	-
Tax liens	696	70	-	626
Deferred taxes	<u>173</u>	<u>-</u>	<u>173</u>	<u>-</u>
Total property taxes	<u>\$ 1,389</u>	<u>\$ 148</u>	<u>\$ 615</u>	<u>\$ 626</u>
Motor vehicle excise	\$ 301	\$ 106	\$ 195	
Boat excise	<u>4</u>	<u>-</u>	<u>4</u>	
Total excises	<u>\$ 305</u>	<u>\$ 106</u>	<u>\$ 199</u>	

6. User Fee Receivables

Receivables for user charges and betterments at June 30, 2020 consist of the following:

Billed user fees	\$ 144,147
Unbilled user fees	<u>614,901</u>
Total user fees	<u>\$ 759,048</u>

Management estimates that there are no uncollectable user fees. Therefore, no allowance for doubtful accounts is included.

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2020.

8. Interfund Transfers

The Town reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. The following is an analysis of major interfund transfers.

<u>Governmental Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 26,500	\$ (393,000)
Nonmajor Funds:		
Other Special Revenue Fund	-	(36,500)
Capital Project Funds	<u>403,000</u>	<u>-</u>
Subtotal Nonmajor Funds	<u>403,000</u>	<u>(36,500)</u>
Total	<u>\$ 429,500</u>	<u>\$ (429,500)</u>

The transfer out of the general fund of \$393,000 was transferred to the Highway, Tree, and Grounds Building capital project fund for the design, construction, and equipping a new Highway Department and Tree and Grounds building. The Town's other routine transfers include transfers made to move (1) unrestricted revenues or balances that have been collected or accumulated in the general fund to other funds based on budgetary authorization, and (2) revenues from a fund that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them.

9. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 78,190	\$ -	\$ -	\$ 78,190
Machinery, equipment, and furnishings	12,094	1,637	(51)	13,680
Infrastructure	<u>37,666</u>	<u>-</u>	<u>-</u>	<u>37,666</u>
Total capital assets, being depreciated	127,950	1,637	(51)	129,536
Less accumulated depreciation for:				
Buildings and improvements	(32,799)	(1,571)	-	(34,370)
Machinery, equipment, and furnishings	(8,238)	(738)	51	(8,925)
Infrastructure	<u>(20,303)</u>	<u>(1,140)</u>	<u>-</u>	<u>(21,443)</u>
Total accumulated depreciation	<u>(61,340)</u>	<u>(3,449)</u>	<u>51</u>	<u>(64,738)</u>
Total capital assets, being depreciated, net	66,610	(1,812)	-	64,798
Capital assets, not being depreciated:				
Land	34,195	-	-	34,195
Construction in progress	<u>2,232</u>	<u>5,291</u>	<u>-</u>	<u>7,523</u>
Total capital assets, not being depreciated	<u>36,427</u>	<u>5,291</u>	<u>-</u>	<u>41,718</u>
Governmental activities capital assets, net	<u>\$ 103,037</u>	<u>\$ 3,479</u>	<u>\$ -</u>	<u>\$ 106,516</u>
Business-Type Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 7,571	\$ -	\$ -	\$ 7,571
Machinery, equipment, and furnishings	1,758	81	-	1,839
Infrastructure	<u>11,723</u>	<u>-</u>	<u>-</u>	<u>11,723</u>
Total capital assets, being depreciated	21,052	81	-	21,133
Less accumulated depreciation for:				
Buildings and improvements	(3,946)	(146)	-	(4,092)
Machinery, equipment, and furnishings	(1,608)	(44)	-	(1,652)
Infrastructure	<u>(5,548)</u>	<u>(208)</u>	<u>-</u>	<u>(5,756)</u>
Total accumulated depreciation	<u>(11,102)</u>	<u>(398)</u>	<u>-</u>	<u>(11,500)</u>
Total capital assets, being depreciated, net	9,950	(317)	-	9,633
Capital assets, not being depreciated:				
Land	<u>828</u>	<u>-</u>	<u>-</u>	<u>828</u>
Total capital assets, not being depreciated	<u>828</u>	<u>-</u>	<u>-</u>	<u>828</u>
Business-type activities capital assets, net	<u>\$ 10,778</u>	<u>\$ (317)</u>	<u>\$ -</u>	<u>\$ 10,461</u>

Depreciation expense was charged to functions of the Town as follows (in thousands):

Governmental Activities	
General government	\$ 433
Public safety	518
Education	1,318
Public works	1,060
Culture and recreation	28
Other	<u>92</u>
Total governmental activities	<u>\$ 3,449</u>
Business-Type Activities	
Water	<u>\$ 398</u>
Total business-type activities	<u>\$ 398</u>

10. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions and OPEB are more fully discussed in the corresponding pension and OPEB notes.

11. Warrants and Accounts Payable

Warrants payable represent 2020 expenditures paid by July 15, 2020. Accounts payable represent additional 2020 expenditures paid after July 15, 2020.

12. Accrued Liabilities

Accrued liabilities represent 2020 expenditures paid in 2021.

13. Tax Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements. These cases are currently pending with the state Appellate Tax Board.

14. Long-Term Debt

Long-Term Debt Supporting Activities

The Town issues general obligation bonds (including direct placements) and direct borrowing to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds and direct borrowings currently outstanding are as follows:

<u>Governmental Activities</u>				Amount
	Original	Serial	Interest	Outstanding
<u>General Obligation Bonds</u>	<u>Issue</u>	<u>Maturities</u>	<u>Rate(s) %</u>	<u>as of</u>
		<u>Through</u>		<u>6/30/20</u>
Public offerings:				
School	\$ 300,000	11/15/22	3.45%	\$ 45,000
School	17,300,000	11/15/22	5.70%	2,595,000
Council on Aging building	300,000	10/01/20	1.50%	30,000
Refunding	6,975,000	02/15/25	1.25%	2,575,000
General Obligation Bond of 2014	7,322,000	03/15/34	2.75%	4,230,000
General Obligation Bond of 2016	3,800,000	06/30/31	2.00%	2,520,000
Road and Parking Lot Improvement	1,440,000	03/01/28	2.21%	1,150,000
Library Construction	6,020,000	11/15/35	1.70%	<u>6,020,000</u>
Total public offerings				19,165,000
<u>Loans - Direct Borrowings</u>				
MWPAT - Title V - Pool 8	\$ 55,466	08/01/22	0.00%	9,358
MWPAT - Title V - Pool 13	69,826	07/15/27	0.00%	27,934
MWPAT - Title V - Pool 17	17,620	07/15/33	0.00%	<u>11,450</u>
Total loans - direct borrowings				<u>48,742</u>
Total governmental activities				<u>\$ 19,213,742</u>
<u>Business-Type Activities</u>				Amount
		Serial	Interest	Outstanding
<u>General Obligation Bonds</u>		<u>Maturities</u>	<u>Rate(s) %</u>	<u>as of</u>
		<u>Through</u>		<u>6/30/20</u>
Public offerings:				
Water Wells/Pumping	\$ 910,000	10/01/20	1.50%	\$ 90,000
Water Mains	1,250,000	03/15/34	2.74%	<u>860,000</u>
Total public offerings				<u>950,000</u>
Total business-type activities				<u>\$ 950,000</u>

Future Debt Service

The annual payments to retire all general obligation long-term debt as of June 30, 2020 are as follows:

<u>Governmental</u>	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 2,525,000	\$ 666,818	\$ 7,444	\$ -
2022	2,385,000	515,512	7,515	-
2023	2,370,000	419,561	7,516	-
2024	1,480,000	346,062	4,373	-
2025	1,455,000	301,552	4,373	-
2026 - 2030	4,530,000	933,352	14,881	-
2031 - 2035	2,920,000	339,920	2,643	-
2036 - 2040	1,500,000	80,250	-	-
Total	<u>\$ 19,165,000</u>	<u>\$ 3,603,027</u>	<u>\$ 48,745</u>	<u>\$ -</u>

<u>Business-Type</u>	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 155,000	\$ 29,100	\$ -	\$ -
2022	65,000	25,800	-	-
2023	65,000	23,850	-	-
2024	65,000	21,900	-	-
2025	60,000	19,950	-	-
2026 - 2030	300,000	71,250	-	-
2031 - 2034	240,000	21,000	-	-
Total	<u>\$ 950,000</u>	<u>\$ 212,850</u>	<u>\$ -</u>	<u>\$ -</u>

Changes in General Long-Term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Governmental Activities						
Bonds payable:						
Public offerings	\$ 15,375	\$ 6,020	\$ (2,230)	\$ 19,165	\$ (2,525)	\$ 16,640
Loans payable (direct borrowings)	56	-	(7)	49	(7)	42
Unamortized premium	-	484	-	484	(25)	459
Subtotal	15,431	6,504	(2,237)	19,698	(2,557)	17,141
Net pension liability	24,401	-	(1,416)	22,985	-	22,985
Net OPEB liability	38,175	2,794	-	40,969	-	40,969
Compensated absences	2,710	209	(136)	2,783	(139)	2,644
Total	\$ 80,717	\$ 9,507	\$ (3,789)	\$ 86,435	\$ (2,696)	\$ 83,739
Business-Type Activities						
Bonds payable:						
Public offerings	\$ 1,105	\$ -	\$ (155)	\$ 950	\$ (155)	\$ 795
Net pension liability	1,123	-	(65)	1,058	-	1,058
Net OPEB liability	1,757	129	-	1,886	-	1,886
Compensated absences	86	16	(4)	98	(5)	93
Total	\$ 4,071	\$ 145	\$ (224)	\$ 3,992	\$ (160)	\$ 3,832

Long-Term Debt Supporting Governmental and Business-Type Activities

Bonds and loans issued by the Town for various municipal projects are approved by Town Meeting and repaid with revenues recorded in the general fund and user fees recorded in the enterprise fund. All other long-term debt is repaid from the funds that the cost relates to, primarily the general fund and the enterprise fund.

15. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and is more fully described in the corresponding pension and OPEB notes. *Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

16. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The Town implemented *GASB Statement No. 54 (GASB 54) Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2020:

Nonspendable

Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures and nonmajor governmental fund reserves for the principal portion of permanent trust funds.

Restricted

Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes general fund encumbrances funded by bond issuances, various special revenue funds, and the income portion of permanent trust funds.

Committed

Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority (Town Meeting). This fund balance classification includes general fund encumbrances for non-lapsing, special article appropriations approved at Town Meeting, special purpose stabilization funds, and various special revenue funds.

Assigned

Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period.

Unassigned

Represents amounts that are available to be spent in future periods and general stabilization and deficit funds. The General Fund is the only fund that reports a positive fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Following is a breakdown of the Town's fund balances at June 30, 2020:

	General Fund	Community Preservation Fund	Library Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Nonexpendable permanent funds	\$ -	\$ -	\$ -	\$ 487,306	\$ 487,306
Total Nonexpendable	-	-	-	487,306	487,306
Restricted					
Bonded projects	-	-	4,226,744	6,491	4,233,235
Special revenue funds:					
Town revolving funds	-	-	-	2,260,066	2,260,066
School grant	-	-	-	842,541	842,541
Conservation	-	-	-	526,604	526,604
Community housing	-	-	-	384,119	384,119
Town grant	-	-	-	157,670	157,670
School lunch	-	-	-	112,671	112,671
Title V septic	-	-	-	21,086	21,086
Reserve for excluded debt	428,644	-	-	-	428,644
Community preservation	-	4,811,625	-	-	4,811,625
Expendable permanent funds	-	-	-	471,667	471,667
Total Restricted	428,644	4,811,625	4,226,744	4,782,915	14,249,928
Committed					
For continuing appropriations:					
General government	902,132	-	-	-	902,132
Public safety	28,577	-	-	-	28,577
Education	43,708	-	-	-	43,708
Public works	1,024,820	-	-	-	1,024,820
Health and human services	70,597	-	-	-	70,597
Capital stabilization*	1,725,602	-	-	-	1,725,602
Athletic field stabilization*	434,974	-	-	-	434,974
Special education stabilization*	102,553	-	-	-	102,553
Capital project funds	-	-	-	403,000	403,000
Total Committed	4,332,963	-	-	403,000	4,735,963
Assigned					
General government	1,497	-	-	-	1,497
Public safety	58,340	-	-	-	58,340
Education	10,721	-	-	-	10,721
Public works	4,146	-	-	-	4,146
Culture and recreation	15	-	-	-	15
Employee benefits	6,619	-	-	-	6,619
For capital expenditures	1,435,000	-	-	-	1,435,000
Transfer to Stabilization	100,000	-	-	-	100,000
Transfer to OPEB Trust	85,000	-	-	-	85,000
Total Assigned	1,701,338	-	-	-	1,701,338
Unassigned					
General fund	5,578,181	-	-	-	5,578,181
General stabilization fund	2,064,099	-	-	-	2,064,099
Deficit school grants	-	-	-	(31,413)	(31,413)
Total Unassigned	7,642,280	-	-	(31,413)	7,610,867
Total Fund Balance	\$ 14,105,225	\$ 4,811,625	\$ 4,226,744	\$ 5,641,808	\$ 28,785,402

* 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 two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund, along with any additions to or appropriations from the fund, requires a two-thirds vote of the legislative body.

17. Retirement System

The Town follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the employees' retirement funds.

Plan Description

Substantially all employees of the Town (except teachers and administrators under contract employed by the School Department) are members of the Plymouth County Contributory Retirement System (the System), a cost-sharing, multiple-employer, public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports publicly available from the System located at 10 Cordage Park Circle, Suite 234, Plymouth, Massachusetts 02360.

Participant Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the system. In addition, all employees hired on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
Beginning July 1, 1996	9%

For those members entering a Massachusetts System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Participant Retirement Benefits

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest 5-year average annual rate of regular compensation for those first becoming members of the Massachusetts System on or after that date. However, per Chapter 176 of the

Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are four classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

Methods of Payment

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the members death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided however, that if the total amount of the annuity portion received by the member is less than the amount of his or her

accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.

- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Employer Contributions

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The Town's contribution to the System for the year ended June 30, 2020 was \$2,600,777, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

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

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

At June 30, 2020, the Town reported a liability of \$24,043,088 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. 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 employers, actuarially determined. At June 30, 2020, the Town's

proportion was 3.524%, an increase of 0.53% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Town recognized pension expense of \$3,805,667. No contributions were made between January 1, 2020 to June 30, 2020. The Town reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 2,723,366	\$ -
Changes of assumptions	375,006	(78,157)
Net difference between projected and actual earnings on pension plan investments	-	(504,732)
Changes in proportion and differences between contributions and proportionate share of contributions	<u>82,572</u>	<u>-</u>
Total	<u>\$ 3,180,944</u>	<u>\$ (582,889)</u>

Amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 1,060,574
2022	949,444
2023	1,084,023
2024	<u>(495,986)</u>
Total	<u>\$ 2,598,055</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement date of December 31, 2019:

Inflation	3.00%
Salary increases	3.75%
Investment rate of return	7.875%

It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2016, fully generational. Mortality for retired

members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward 5 years for males and 3 years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward 3 years for males, and 6 years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward 6 years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward 2 years. Generational adjusting is based on Scale MP-2016.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of the 2015 Experience Study.

Target Allocations

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	26.00%	7.40%
International developed equity	6.00%	7.90%
Emerging markets equity	10.00%	9.10%
Global equity	10.00%	7.80%
Core bonds	9.00%	3.00%
Value-added fixed income	6.00%	4.90%
Hedge funds	4.00%	4.00%
Real estate	10.00%	7.50%
Private equity	13.00%	9.40%
Real assets	<u>6.00%</u>	7.50%
Total	<u><u>100.00%</u></u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.875%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to

current active and inactive 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.875%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease <u>(6.875%)</u>	Current Discount Rate <u>(7.875%)</u>	1% Increase <u>(8.875%)</u>
\$ 30,451,779	\$ 24,043,088	\$ 18,460,971

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued System financial report.

18. Massachusetts Teachers’ Retirement System (MTRS)

Plan Description

The Massachusetts Teachers’ Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing, multi-employer, defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers 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 does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers’ Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution

requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member’s highest 3-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last 5 years or any 5 consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member’s age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS’ funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Contributions

Member contributions for MTRS vary depending on the most recent date of membership:

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2019. This valuation used the following assumptions:

- (a) 7.25% investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase on the first \$13,000 per year.
- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-mortality through January 1, 2017.

- Mortality rates were as follows:
 - Pre-retirement – reflects RP-2014 White Collar Employees table projected generationally with Scale MP-2016 (gender distinct).
 - Post-retirement – reflects RP-2014 White Collar Healthy Annuitant table projected generationally with Scale MP-2016 (gender distinct).
 - Disability – assumed to be in accordance with the RP-2014 White Collar Healthy Annuitant Table projected generationally with Scale MP-2016 (gender distinct).

Target Allocations

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund’s target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	39.00%	4.90%
Portfolio completion strategies	11.00%	3.90%
Core fixed income	15.00%	1.30%
Private equity	13.00%	8.20%
Real estate	10.00%	3.60%
Value added fixed income	8.00%	4.70%
Timber/natural resources	<u>4.00%</u>	4.10%
Total	<u><u>100.00%</u></u>	

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 that plan member contributions will be made at the current contribution rates and the Commonwealth’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was

calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
\$ 31,232,100	\$ 25,214,020	\$ 20,062,500

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarial determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions (GASB 68)* and the Commonwealth is a nonemployer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

Town Proportions

In fiscal year 2019 (the most recent measurement period), the Town’s proportionate share of the MTRS’ collective net pension liability was approximately \$65,354,332 based on a proportionate share of 0.259198%. As required by GASB 68, the Town has recognized its portion of the Commonwealth’s contribution of approximately \$3,742,073 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of approximately \$7,925,347 as both a revenue and expense in the governmental activities.

19. Other Post-Employment Benefits (GASB 74 and GASB 75)

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, replaces the requirements of *Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2009, the Town established a single employer defined benefit OPEB Trust Fund to provide funding for future employee health care costs. The OPEB Trust Fund does not issue a stand-alone financial report.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

All the following OPEB disclosures are based on a measurement date of June 30, 2020.

General Information about the OPEB Plan

Plan Description

The Town provides post-employment healthcare benefits for retired employees through the Town’s plan. The Town provides health insurance coverage through Medex2, Fallon Health Select, Network Blue, BCBS Blue Care Elect PPO, and UniCare State Indemnity. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of the Massachusetts General Laws.

Benefits Provided

The Town provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

Funding Policy

The Town’s funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on annual budget limitations/authorizations.

Plan Membership

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	380
Active employees	<u>412</u>
Total	<u><u>792</u></u>

Investments

The OPEB trust fund assets consist of equities, mutual funds, federal securities, and corporate debt.

Rate of return. For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 3.04%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions and Other Inputs

The net OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%, average, including inflation
Investment rate of return	7.50%, net of OPEB plan investment expense
Municipal bond rate	2.50%
Discount rate	7.50%
Healthcare cost trend rates	4.50% for 2020 and beyond
Participation rate	90% of future Town and School retirees are assumed to participate in the retiree medical plan. 85% of future Town and School retirees are assumed to elect life insurance.

Mortality rates for both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2015, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward 5 years for males and 3 years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward 3 years for males, and 6 years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward 6 years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward 2 years. Generational adjusting is based on Scale MP-2015.

Target Allocations

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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity- large cap	46.80%	7.47%
Domestic equity- small/mid cap	5.90%	8.57%
International equity- developed market	5.60%	5.92%
International equity- emerging market	2.80%	8.01%
Domestic- fixed income (core)	17.00%	2.86%
Domestic- fixed income (hi yield)	2.50%	4.24%
International fixed income	3.00%	4.82%
Alternatives	9.90%	5.43%
Real estate	5.60%	7.31%
Cash	0.90%	1.00%
Total	<u>100.00%</u>	

Contributions

In addition to the implicit subsidy contribution, the Town's policy is to contribute amounts provided annually by the budget.

Discount Rate

The discount rate used to measure the net OPEB liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 20120, were as follows:

Total OPEB liability	\$ 46,827,117
Plan fiduciary net position	<u>3,972,871</u>
Net OPEB liability	<u>\$ 42,854,246</u>
Plan fiduciary net position as a percentage of the total OPEB liability	8.48%

The fiduciary net position has been determined on the same basis used by the OPEB Plan. For this purpose, the Plan recognizes benefit payments when due and payable.

Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability for the past year:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances, beginning of year	\$ 43,425,345	\$ 3,493,114	\$ 39,932,231
Changes for the year:			
Service cost	1,145,838	-	1,145,838
Interest	3,257,799	-	3,257,799
Contributions - employer	-	2,691,119	(2,691,119)
Net investment income	-	99,001	(99,001)
Differences between expected and actual experience	1,307,622	-	1,307,622
Administrative expense	-	(876)	876
Benefit payments	<u>(2,309,487)</u>	<u>(2,309,487)</u>	<u>-</u>
Net Changes	<u>3,401,772</u>	<u>479,757</u>	<u>2,922,015</u>
Balances, end of year	<u>\$ 46,827,117</u>	<u>\$ 3,972,871</u>	<u>\$ 42,854,246</u>

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	Current Discount Rate	
	1% Decrease <u>(6.50%)</u>	1% Increase <u>(8.50%)</u>
	\$ 49,235,117	\$ 37,613,615

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

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

1% Decrease <u>(3.50%)</u>	Current Healthcare Cost Trend Rates <u>(4.50%)</u>	1% Increase <u>(5.50%)</u>
\$ 36,837,764	\$ 42,854,246	\$ 50,291,402

OPEB Expense and Deferred (Inflows) of Resources Related to OPEB

For the year ended June 30, 2020, the Town recognized an OPEB expense of \$1,161,746. At June 30, 2020, the Town reported deferred (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 1,070,734	\$ (651,474)
Changes in assumptions	-	(13,697,036)
Net difference between projected and actual earnings on OPEB investment	<u>80,180</u>	<u>-</u>
Total	<u>\$ 1,150,914</u>	<u>\$ (14,348,510)</u>

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

<u>Year Ended June 30:</u>	
2021	\$ (5,290,256)
2022	(5,070,929)
2023	(3,231,880)
2024	272,287
2025	<u>123,182</u>
Total	<u>\$ (13,197,596)</u>

20. Commitments and Contingencies

COVID-19

The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. There is considerable uncertainty around the duration and scope of the economic disruption. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on individuals served by the Town, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

Outstanding Legal Issues

On an ongoing basis, there are typically pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Encumbrances

At year-end the Town's general fund has \$81,338 in encumbrances that will be honored in the next fiscal year.

21. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, *Fiduciary Activities*, effective for the Town beginning with its fiscal year ending June 30, 2021. This statement establishes guidance on how to address the categorization of fiduciary activities for financial reporting and how fiduciary activities are to be reported and may require reclassification of certain funds.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the Town beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements.



Photo by Donna Mangan

Located in Norwell, Hornstra Farms is one of the last working dairy farms in the South Shore area of Massachusetts where you can pet young calves in the barn and experience what could be the best ice cream in New England.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NORWELL, MASSACHUSETTS

Required Supplemental Information
Detail Schedule of Revenues
Budget and Actual - General Fund

For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>Taxes</u>				
Property taxes	\$ 45,293,088	\$ 45,293,088	\$ 46,244,587	\$ 951,499
<u>Excises</u>				
Motor vehicle excise	1,739,040	1,739,040	2,419,900	680,860
Other excise	<u>2,140</u>	<u>2,140</u>	<u>2,053</u>	<u>(87)</u>
Total Excises	1,741,180	1,741,180	2,421,953	680,773
<u>Penalties, Interest and Other Taxes</u>				
Penalties and interest on taxes/excises	270,000	270,000	329,985	59,985
<u>Charges for Services</u>				
Charges for Services - Ambulance	736,000	736,000	809,368	73,368
Rentals	319,000	319,000	410,633	91,633
Departmental revenue - Cemeteries	34,000	34,000	36,048	2,048
Other departmental revenue	<u>20,000</u>	<u>20,000</u>	<u>32,301</u>	<u>12,301</u>
Total Charges for Services	1,109,000	1,109,000	1,288,350	179,350
<u>Intergovernmental</u>				
State aid	5,250,499	5,250,499	5,418,244	167,745
MSBA reimbursement	<u>656,581</u>	<u>656,581</u>	<u>656,581</u>	<u>-</u>
Total Intergovernmental	5,907,080	5,907,080	6,074,825	167,745
<u>Licenses, permits, and fees</u>				
Fees	205,000	205,000	181,746	(23,254)
Licenses and permits	<u>396,000</u>	<u>396,000</u>	<u>528,641</u>	<u>132,641</u>
Total Licenses and Permits	601,000	601,000	710,387	109,387
<u>Fines and Forfeits</u>				
Fines and forfeits	45,000	45,000	25,326	(19,674)
<u>Investment Income</u>				
Investment income	270,000	270,000	250,422	(19,578)
<u>Miscellaneous</u>				
Other miscellaneous	-	-	404,114	404,114
Total Revenues	<u>55,236,348</u>	<u>55,236,348</u>	<u>57,749,949</u>	<u>2,513,601</u>
<u>Other Financing Sources</u>				
Transfers in	577,629	577,629	577,629	-
Fund balance reserved for excluded debt	110,519	110,519	110,519	-
Use of free cash	1,810,000	1,927,095	1,927,095	-
Use of overlay surplus	<u>1,211,700</u>	<u>1,571,700</u>	<u>1,571,700</u>	<u>-</u>
Total Other Financing Sources	3,709,848	4,186,943	4,186,943	-
Total Revenues and Other Financing Sources	<u>\$ 58,946,196</u>	<u>\$ 59,423,291</u>	<u>\$ 61,936,892</u>	<u>\$ 2,513,601</u>

TOWN OF NORWELL MASSACHUSETTS

Required Supplemental Information
Detail Schedule of Expenditures
Budget and Actual - General Fund

For the Year Ended June 30, 2020

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	Variance Positive <u>(Negative)</u>
General Government				
Town meeting & election				
Salaries	\$ 2,550	\$ 2,550	\$ 551	\$ 1,999
Expenses	3,820	3,820	3,724	96
Selectmen				
Salaries	387,297	408,460	405,142	3,318
Expenses	43,300	43,300	40,029	3,271
Articles	-	360,039	360,039	-
Advisory board				
Expenses	2,500	2,500	1,727	773
Reserve fund				
Reserve fund	280,000	150,098	-	150,098
Town Accountant				
Salaries	249,788	252,266	252,266	-
Expenses	45,550	45,550	41,314	4,236
Articles	123,000	59,484	59,484	-
Assessors				
Salaries	142,314	153,523	153,523	-
Expenses	22,135	22,135	8,697	13,438
Articles	70,000	70,022	70,022	-
Treasurer/Collector				
Salaries	302,355	310,285	309,221	1,064
Expenses	79,577	95,913	95,803	110
Legal services				
Legal expenses	100,000	100,000	85,044	14,956
Personnel board				
Expenses	500	500	500	-
Information technology				
Salaries	25,000	25,000	24,904	96
Expenses	101,000	101,000	84,848	16,152
Town clerk				
Salaries	174,098	175,770	174,600	1,170
Expenses	5,900	5,900	5,627	273
Elections				
Salaries	12,654	12,654	5,309	7,345
Expenses	7,720	9,442	9,442	-
Board of registrars				
Clerk of Board salary	450	450	450	-
Registrars expenses	4,750	4,750	4,331	419
Conservation commission				
Conservation salaries	106,062	108,860	108,592	268
Conservation expenses	18,640	18,640	17,666	974
Planning board				
Salaries	93,046	94,445	93,246	1,199
Planning board expenses	9,680	9,680	9,680	-
Articles	250,000	250,000	250,000	-
Board of appeals				
Expenses	17,815	17,815	17,615	200
Commission on disabilities				
Expenses	3,000	3,000	-	3,000
Cushing memorial				
Salaries	38,837	38,837	37,480	1,357
Expenses	27,307	27,307	25,912	1,395
Articles	-	548	548	-
Facilities department				
Salaries	123,245	123,245	107,407	15,838
Expenses	85,320	85,320	74,602	10,718
Articles	54,000	54,454	54,000	454
Public building maintenance committee				
Expenses	1,500	1,500	-	1,500
Town reports				
Expenses	3,000	7,476	7,476	-
Beautification				
Expenses	2,500	2,500	2,500	-
Total General Government	<u>3,020,210</u>	<u>3,259,038</u>	<u>3,003,321</u>	<u>255,717</u>

(continued)

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>Public Safety</u>				
Police Department				
Salaries	2,758,828	2,762,187	2,704,935	57,252
Expenses	327,625	327,625	324,225	3,400
Articles	276,700	276,700	276,607	93
Fire Department				
Salaries	2,370,446	2,371,585	2,361,190	10,395
Expenses	230,900	230,900	226,985	3,915
Articles	700,000	753,263	751,977	1,286
Ambulance service				
Expenses	104,500	104,500	100,908	3,592
Emergency management				
Salaries	1,000	1,000	-	1,000
Expenses	11,000	11,000	9,275	1,725
Regional dispatch services				
Regional dispatch expense	515,000	524,629	524,628	1
Building department				
Salaries	222,242	191,883	146,305	45,578
Expenses	14,900	46,903	46,902	1
Articles	-	2,295	2,295	-
Sealer weights/measures				
Salaries	7,000	7,000	7,000	-
Expenses	1,515	1,515	555	960
Animal control				
Expenses	15,371	15,371	10,626	4,745
Harbormaster				
Expenses	7,500	7,500	7,135	365
Total Public Safety	<u>7,564,527</u>	<u>7,635,856</u>	<u>7,501,548</u>	<u>134,308</u>
<u>Education</u>				
School budget	28,178,328	28,178,328	28,171,819	6,509
Regional school assessment	315,566	315,586	315,586	-
Articles	70,000	70,000	70,000	-
Total Education	<u>28,563,894</u>	<u>28,563,914</u>	<u>28,557,405</u>	<u>6,509</u>
<u>Public Works</u>				
Highway department				
Salaries	648,137	656,438	606,643	49,795
Expenses	302,800	306,944	306,816	128
Snow removal and sanding	259,100	302,779	302,779	-
Articles	795,000	795,475	795,475	-
Trees and grounds				
Salaries	417,063	418,025	405,376	12,649
Expenses	145,100	145,100	143,970	1,130
Articles	82,000	82,000	82,000	-
Street lighting				
Street lighting expenses	60,000	62,904	62,904	-
Town cemetery				
Salaries	5,000	5,000	3,594	1,406
Total Public Works	<u>2,714,200</u>	<u>2,774,665</u>	<u>2,709,557</u>	<u>65,108</u>
<u>Health and Human Services</u>				
Board of health				
Salaries	109,939	112,124	79,530	32,594
Expenses	1,176,175	1,176,175	1,176,174	1
Council on aging				
Salaries	247,540	252,343	186,632	65,711
Expenses	25,548	25,548	20,975	4,573
Articles	6,000	6,000	6,000	-
Veterans				
Salaries	12,000	12,000	12,000	-
Expenses	2,500	2,500	446	2,054
Veterans' benefits	15,000	15,000	11,748	3,252
Total Health and Human Services	<u>1,594,702</u>	<u>1,601,690</u>	<u>1,493,505</u>	<u>108,185</u>

(continued)

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<u>Culture and Recreation</u>				
Library				
Salaries	442,809	444,612	444,259	353
Expenses	209,800	209,800	181,454	28,346
Recreation				
Recreation superintendent salary	82,437	84,081	84,080	1
Expenses	14,500	14,500	11,044	3,456
Historical commission				
Expenses	4,000	4,000	86	3,914
Total Culture and Recreation	<u>753,546</u>	<u>756,993</u>	<u>720,923</u>	<u>36,070</u>
<u>Employee Benefits & Unclassified</u>				
Pensions	2,600,777	2,600,777	2,600,777	-
Unemployment compensation	40,000	40,000	2,973	37,027
Group insurance including "opt out"	6,406,893	6,406,893	6,116,551	290,342
Town insurance	418,000	514,018	514,018	-
Total Employee Benefits	<u>9,465,670</u>	<u>9,561,688</u>	<u>9,234,319</u>	<u>327,369</u>
<u>Debt Service</u>				
Under levy debt service	905,123	905,123	905,123	-
Debt exclusion	<u>2,018,365</u>	<u>2,018,365</u>	<u>2,018,365</u>	-
Total Debt Service	<u>2,923,488</u>	<u>2,923,488</u>	<u>2,923,488</u>	-
<u>Intergovernmental</u>				
State assessments	1,364,934	1,364,934	1,392,486	(27,552)
Total Expenditures	<u>57,965,171</u>	<u>58,442,266</u>	<u>57,536,552</u>	<u>905,714</u>
<u>Other Financing Uses</u>				
Transfers out	<u>981,025</u>	<u>981,025</u>	<u>1,197,657</u>	<u>216,632</u>
Total Other Financing Uses	<u>981,025</u>	<u>981,025</u>	<u>1,197,657</u>	<u>216,632</u>
Total Expenditures and Other Financing Uses	<u>\$ 58,946,196</u>	<u>\$ 59,423,291</u>	<u>\$ 58,734,209</u>	<u>\$ 1,122,346</u>

TOWN OF NORWELL, MASSACHUSETTS

Required Supplemental Information
 Community Preservation Fund
 Schedule of Revenues and Other Sources, and Expenditures and Other Uses – Budget and Actual
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property taxes	\$ 1,198,076	\$ 1,198,076	\$ 1,166,288	\$ (31,788)
Intergovernmental	193,967	193,967	330,874	136,907
Investment income	62,000	62,000	65,037	3,037
Total Revenues	1,454,043	1,454,043	1,562,199	108,156
Expenditures				
Projects, acquisitions, and other	653,285	1,185,028	966,831	218,197
Administrative expenses	60,000	60,000	10,980	49,020
Total Expenditures	713,285	1,245,028	977,811	267,217
Excess (deficiency) of revenues over expenditures	740,758	209,015	584,388	375,373
Other Financing Sources/Uses				
Use of reserves	17,200	548,943	548,943	-
Reservations:				
Other reserves	(397,958)	(397,958)	(397,958)	-
Budget reserve	(360,000)	(360,000)	(360,000)	-
Total Other Financing Sources/Uses	(740,758)	(209,015)	(209,015)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 375,373	\$ 375,373

**Notes to the Required Supplemental Information
for General Fund Budget**

Budgetary Basis

The general fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
Revenues/expenditures/transfers (GAAP Basis)	\$ 61,626,779	\$ 60,144,889	\$ (366,500)
Remove effect of combining stabilization and general fund	(134,757)	-	(423,025)
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,190,015)	-
Add end-of-year appropriation carryforwards from expenditures	-	2,151,172	-
To record use of free cash	-	-	1,927,096
To record use of overlay surplus	-	-	1,571,700
To record use of debt reserves (fund balance)	-	-	110,519
To reverse the effect of non-budgeted State contributions	(3,742,073)	(3,742,073)	-
Other timing issues	-	172,579	169,496
Budgetary Basis	<u>\$ 57,749,949</u>	<u>\$ 57,536,552</u>	<u>\$ 2,989,286</u>

<u>Community Preservation Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/Uses</u>
GAAP basis	\$ 1,562,199	\$ 641,072	\$ -
Reverse beginning of year appropriation carryforwards from expenditures	-	(898,332)	-
Add end of year appropriation carryforwards to expenditures	-	1,235,071	-
Record budgeted use of reserves	-	-	548,943
Record budgeted reservatiосn	-	-	(757,958)
Budgetary basis	<u>\$ 1,562,199</u>	<u>\$ 977,811</u>	<u>\$ (209,015)</u>

TOWN OF NORWELL

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability

June 30, 2020
(Unaudited)

Plymouth County Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2020	December 31, 2019	3.524%	\$24,043,088	\$ 10,354,506	232.20%	61.61%
June 30, 2019	December 31, 2018	3.471%	\$25,523,971	\$ 10,700,440	238.53%	56.11%
June 30, 2018	December 31, 2017	3.541%	\$19,037,029	\$ 10,307,611	184.69%	65.56%
June 30, 2017	December 31, 2016	3.508%	\$22,255,164	\$ 9,911,164	224.55%	58.20%
June 30, 2016	December 31, 2015	3.439%	\$21,808,558	\$ 9,955,304	219.06%	56.80%
June 30, 2015	December 31, 2014	3.439%	\$20,043,926	\$ 9,595,474	209.00%	58.88%

Massachusetts Teachers' Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town	Total Net Pension Liability Associated with the Town	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2020	June 30, 2019	0.259198%	\$ -	\$ 65,354,332	\$ 65,354,332	\$ 18,862,222	-	53.95%
June 30, 2019	June 30, 2018	0.263260%	\$ -	\$ 62,422,350	\$ 62,422,350	\$ 18,488,397	-	54.84%
June 30, 2018	June 30, 2017	0.264855%	\$ -	\$ 60,612,999	\$ 60,612,999	\$ 17,984,894	-	54.25%
June 30, 2017	June 30, 2016	0.262380%	\$ -	\$ 58,662,628	\$ 58,662,628	\$ 16,631,974	-	52.73%
June 30, 2016	June 30, 2015	0.255533%	\$ -	\$ 52,357,798	\$ 52,357,798	\$ 16,197,951	-	55.38%
June 30, 2015	June 30, 2014	0.254049%	\$ -	\$ 40,384,465	\$ 40,384,465	\$ 15,576,999	-	61.64%

TOWN OF NORWELL

Required Supplementary Information
Schedule of Pension Contributions

June 30, 2020
(Unaudited)

Plymouth County Contributory Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2020	December 31, 2019	\$ 2,600,777	\$ 2,600,777	\$ -	\$ 10,716,601	24.27%
June 30, 2019	December 31, 2018	\$ 2,523,519	\$ 2,523,519	\$ -	\$ 10,700,440	23.58%
June 30, 2018	December 31, 2017	\$ 2,419,382	\$ 2,419,382	\$ -	\$ 10,307,611	23.47%
June 30, 2017	December 31, 2016	\$ 2,336,032	\$ 2,336,032	\$ -	\$ 9,911,164	23.57%
June 30, 2016	December 31, 2015	\$ 2,158,588	\$ 2,158,588	\$ -	\$ 9,955,304	21.68%
June 30, 2015	December 31, 2014	\$ 1,997,369	\$ 1,997,369	\$ -	\$ 9,595,474	20.82%

Massachusetts Teachers' Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Actuarially Determined Contribution Provided by Commonwealth</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2020	June 30, 2019	\$ 3,742,073	\$ 3,742,073	\$ -	\$ 18,862,222	0.00%
June 30, 2019	June 30, 2018	\$ 3,461,298	\$ 3,461,298	\$ -	\$ 18,488,397	18.72%
June 30, 2018	June 30, 2017	\$ 3,272,318	\$ 3,272,318	\$ -	\$ 17,984,894	18.19%
June 30, 2017	June 30, 2016	\$ 2,950,676	\$ 2,950,676	\$ -	\$ 16,631,974	17.74%
June 30, 2016	June 30, 2015	\$ 2,611,368	\$ 2,611,368	\$ -	\$ 16,197,951	16.12%
June 30, 2015	June 30, 2014	\$ 2,381,399	\$ 2,381,399	\$ -	\$ 15,576,999	15.29%

TOWN OF NORWELL, MASSACHUSETTS

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedule of Changes in Net OPEB Liability

(Unaudited)
(Amounts expressed in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service cost	\$ 1,145,838	\$ 1,096,497	\$ 1,049,278	\$ 2,742,065
Interest	3,257,799	3,092,582	2,719,106	2,641,209
Differences between expected and actual experience	1,307,622	-	(1,378,023)	-
Changes of assumptions	-	-	(27,455,321)	-
Benefit payments, including refunds of member contributions	<u>(2,309,487)</u>	<u>(1,771,304)</u>	<u>(1,695,028)</u>	<u>(1,790,175)</u>
Net change in total OPEB liability	3,401,772	2,417,775	(26,759,988)	3,593,099
Total OPEB liability - beginning	<u>43,425,346</u>	<u>41,007,571</u>	<u>67,767,559</u>	<u>64,174,460</u>
Total OPEB liability - ending (a)	46,827,118	43,425,346	41,007,571	67,767,559
Plan Fiduciary Net Position*				
Contributions - employer	2,691,119	2,147,107	2,061,866	2,124,096
Net investment income	99,001	266,789	183,545	107,829
Benefit payments, including refunds of member contributions	(2,309,487)	(1,771,304)	(1,695,028)	(1,790,175)
Administrative expense	<u>(875)</u>	<u>(20,177)</u>	<u>(9,489)</u>	<u>(16,166)</u>
Net change in plan fiduciary net position	479,758	622,415	540,894	425,584
Plan fiduciary net position - beginning	<u>3,493,114</u>	<u>2,870,699</u>	<u>2,329,805</u>	<u>1,904,221</u>
Plan fiduciary net position - ending (b)	<u>3,972,872</u>	<u>3,493,114</u>	<u>2,870,699</u>	<u>2,329,805</u>
Net OPEB liability (asset) - ending (a-b)	<u>\$ 42,854,246</u>	<u>\$ 39,932,232</u>	<u>\$ 38,136,872</u>	<u>\$ 65,437,754</u>

TOWN OF NORWELL, MASSACHUSETTS

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedules of Net OPEB Liability, Contributions, and Investment Returns

(Unaudited)
(Amounts expressed in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Net OPEB Liability				
Total OPEB liability	\$ 46,827,118	\$ 43,425,345	\$ 41,007,571	\$ 67,767,559
Plan fiduciary net position	<u>3,972,871</u>	<u>3,493,114</u>	<u>2,870,698</u>	<u>2,329,805</u>
Net OPEB liability (asset)	<u>\$ 42,854,247</u>	<u>\$ 39,932,231</u>	<u>\$ 38,136,873</u>	<u>\$ 65,437,754</u>
Plan fiduciary net position as a percentage of the total OPEB liability	8.5%	8.0%	7.0%	3.4%
Covered employee payroll	\$ 31,457,357	\$ 32,405,686	\$ 31,309,842	\$ 28,555,614
Net OPEB liability as a percentage of covered employee payroll	136.23%	123.23%	121.80%	229.16%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Contributions				
Actuarially determined contribution	\$ 3,710,043	\$ 3,492,295	\$ 3,352,054	\$ 3,421,857
Contributions in relation to the actuarially determined contribution	<u>2,691,119</u>	<u>2,147,107</u>	<u>2,061,866</u>	<u>2,124,096</u>
Contribution deficiency (excess)	<u>\$ 1,018,924</u>	<u>\$ 1,345,188</u>	<u>\$ 1,290,188</u>	<u>\$ 1,297,761</u>
Covered employee payroll	\$ 31,457,357	\$ 32,405,686	\$ 31,309,842	\$ 28,555,614
Contributions as a percentage of covered employee payroll	3.24%	4.15%	4.12%	4.54%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Investment Returns				
Annual money weighted rate of return, net of investment expense	3.04%	8.61%	7.20%	4.71%

**SUPPLEMENTARY STATEMENTS
AND SCHEDULES**

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Combining Financial Statements

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- School Lunch: To account for operating activities associated with the School Department student lunch program.
- Town Grants: To account for grant funds received from the United States government, either directly or through the Commonwealth of Massachusetts, and designated for specific purposes
- School Grants: To account for grant funds received from the United States government, either directly or through the Commonwealth of Massachusetts, and designated for specific purposes.
- Community Housing: To account for activity of the Norwell Community Housing Trust fund. The purpose of the trust is to provide for the creation and preservation of affordable housing in the Town for the benefit of low- and moderate-income households.
- Conservation: To account for activities related to the protection and conservation of Norwell's conservation land.
- Other Special Revenues: To account for certain receipts, which according to Massachusetts General Laws revolving funds, can be spent without appropriation, for expenditures related to the source of the receipt. It's also used to account for septic and other activities as well as various donations and related expenditures.

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment.

The current funds were established for the following purposes:

- Cemetery: To account for capital activities related to the Stetson Cemetery construction
- Road Repair: To account for capital activities related to the repair of Main Street.
- Highway, Tree, Grounds Building: To account for capital activities related to the construction of the Highway, Tree, and Grounds Building.

PERMANENT FUND

Permanent Fund is established to account for certain assets held by the Town in a fiduciary capacity as trustee. Permanent Fund is used to report principal balances legally restricted to the extent that only earnings, not principal, may be used for the support of certain government programs.

- Permanent Fund: To account for the principal received for perpetual care and related interest. The interest income is used to maintain the community cemetery. The fund is also used to account for nonspendable gifts received by the library with income restricted for maintenance of the library grounds. It is also used to account for various other bequests to the Town designated for particular purposes.

TOWN OF NORWELL, MASSACHUSETTS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2020

	Special Revenue Funds							Subtotals
	School Lunch	Chapter 90	Town Grants	School Grants	Community Housing Fund	Conservation Fund	Other Special Revenues	
Assets								
Cash and short-term investments	\$ 122,789	\$ -	\$ -	\$ 811,207	\$ -	\$ -	\$ 2,238,022	\$ 3,172,018
Investments	-	-	13,923	-	393,789	516,940	242,173	1,166,825
Intergovernmental receivables	12,150	-	387,667	-	-	-	-	399,817
Betterments not yet due	-	-	-	-	-	-	65,097	65,097
Total Assets	<u>\$ 134,939</u>	<u>\$ -</u>	<u>\$ 401,590</u>	<u>\$ 811,207</u>	<u>\$ 393,789</u>	<u>\$ 516,940</u>	<u>\$ 2,545,292</u>	<u>\$ 4,803,757</u>
Liabilities								
Warrants payable	\$ 22,268	\$ -	\$ 26,977	\$ 79	\$ -	\$ -	\$ 109,779	\$ 159,103
Prepaid user fees	-	-	-	-	-	-	89,264	89,264
Due to other funds	-	-	216,943	-	-	-	-	216,943
Total Liabilities	22,268	-	243,920	79	-	-	199,043	465,310
Deferred Inflows of Resources	-	-	-	-	-	-	65,097	65,097
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	112,671	-	157,670	842,541	393,789	516,940	2,281,152	4,304,763
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(31,413)	-	-	-	(31,413)
Total Fund Balances	<u>112,671</u>	<u>-</u>	<u>157,670</u>	<u>811,128</u>	<u>393,789</u>	<u>516,940</u>	<u>2,281,152</u>	<u>4,273,350</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 134,939</u>	<u>\$ -</u>	<u>\$ 401,590</u>	<u>\$ 811,207</u>	<u>\$ 393,789</u>	<u>\$ 516,940</u>	<u>\$ 2,545,292</u>	<u>\$ 4,803,757</u>

Capital Project Funds				Permanent Trust Fund	Total Nonmajor Governmental Funds
Cemetery	Road Repair	Highway, Tree, Grounds Building	Subtotal		
\$ 6,491	\$ -	\$ 403,000	\$ 409,491	\$ 55,694	\$ 3,637,203
-	-	-	-	925,152	2,091,977
-	-	-	-	-	399,817
-	-	-	-	-	65,097
<u>\$ 6,491</u>	<u>\$ -</u>	<u>\$ 403,000</u>	<u>\$ 409,491</u>	<u>\$ 980,846</u>	<u>\$ 6,194,094</u>
\$ -	\$ -	\$ -	\$ -	\$ 21,879	\$ 180,982
-	-	-	-	-	89,264
-	-	-	-	-	216,943
-	-	-	-	21,879	487,189
-	-	-	-	-	65,097
-	-	-	-	487,306	487,306
6,491	-	-	6,491	471,661	4,782,915
-	-	403,000	403,000	-	403,000
-	-	-	-	-	(31,413)
<u>6,491</u>	<u>-</u>	<u>403,000</u>	<u>409,491</u>	<u>958,967</u>	<u>5,641,808</u>
<u>\$ 6,491</u>	<u>\$ -</u>	<u>\$ 403,000</u>	<u>\$ 409,491</u>	<u>\$ 980,846</u>	<u>\$ 6,194,094</u>

TOWN OF NORWELL, MASSACHUSETTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds							
	School Lunch	Chapter 90	Town Grants	School Grants	Community Housing Fund	Conservation Fund	Other Special Revenues	Subtotal
Revenues								
Charges for services	\$ 577,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,330,322	\$ 1,907,890
Intergovernmental	165,977	436,212	604,673	1,640,088	-	-	318,756	3,165,706
Investment income	-	-	697	-	9,871	43,049	1,364	54,981
Miscellaneous	-	-	-	-	-	-	99,943	99,943
Total Revenues	743,545	436,212	605,370	1,640,088	9,871	43,049	1,750,385	5,228,520
Expenditures								
General government	-	-	477,993	-	24,073	7,965	180,564	690,595
Public safety	-	-	14,690	-	-	-	2,458	17,148
Education	720,103	-	-	1,210,703	-	-	903,927	2,834,733
Public works	-	436,212	-	-	-	-	-	436,212
Health and human services	-	-	47,268	-	-	-	84,334	131,602
Culture and recreation	-	-	-	-	-	-	459,296	459,296
Debt service:	-	-	-	-	-	-	7,444	7,444
Total Expenditures	720,103	436,212	539,951	1,210,703	24,073	7,965	1,638,023	4,577,030
Excess (deficiency) of revenues over (under) expenditures	23,442	-	65,419	429,385	(14,202)	35,084	112,362	651,490
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(36,500)	(36,500)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(36,500)	(36,500)
Net change in fund balances	23,442	-	65,419	429,385	(14,202)	35,084	75,862	614,990
Fund Balances, beginning of year	89,229	-	92,251	381,743	407,991	481,856	2,205,290	3,658,360
Fund Balances, end of year	<u>\$ 112,671</u>	<u>\$ -</u>	<u>\$ 157,670</u>	<u>\$ 811,128</u>	<u>\$ 393,789</u>	<u>\$ 516,940</u>	<u>\$ 2,281,152</u>	<u>\$ 4,273,350</u>

Capital Project Funds				Permanent Trust Fund	Total Nonmajor Governmental Funds
Cemetery	Road Repair	Highway, Tree, Grounds Building	Subtotal		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,907,890
-	-	-	-	-	3,165,706
-	-	-	-	71,743	126,724
-	-	-	-	17,520	117,463
-	-	-	-	89,263	5,317,783
5,157	-	-	5,157	27,158	722,910
-	-	-	-	-	17,148
-	-	-	-	-	2,834,733
-	31,126	-	31,126	-	467,338
-	-	-	-	-	131,602
-	-	-	-	-	459,296
-	-	-	-	-	7,444
<u>5,157</u>	<u>31,126</u>	<u>-</u>	<u>36,283</u>	<u>27,158</u>	<u>4,640,471</u>
(5,157)	(31,126)	-	(36,283)	62,105	677,312
-	-	403,000	403,000	-	403,000
-	-	-	-	-	(36,500)
-	-	403,000	403,000	-	366,500
(5,157)	(31,126)	403,000	366,717	62,105	1,043,812
<u>11,648</u>	<u>31,126</u>	<u>-</u>	<u>42,774</u>	<u>896,862</u>	<u>4,597,996</u>
<u>\$ 6,491</u>	<u>\$ -</u>	<u>\$ 403,000</u>	<u>\$ 409,491</u>	<u>\$ 958,967</u>	<u>\$ 5,641,808</u>



Photo by Donna Mangan

The John Otis water tower built in the late nineteenth century is one of several water towers located in the Town of Norwell. The purpose of the tower was to provide an attractive enclosure around a storage tank supported thirty feet above ground which supplies water on an as-needed basis by a gravity system, distributing water around the property.

**STATISTICAL
SECTION**

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TOWN OF NORWELL, MASSACHUSETTS

STATISTICAL SECTION

The Town of Norwell's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	104 - 108
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	109 - 111
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	112 - 114
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	115 - 116
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.	117 - 119

TOWN OF NORWELL, MASSACHUSETTS										
Net Position by Component										
Last Ten Fiscal Years										
	2011	2012	2013	2014	2015*	2016	2017	2018	2019	2020
Government Activities										
Net investment in capital assets	\$ 66,346,144	\$ 66,480,681	\$ 67,721,588	\$ 70,949,123	\$ 73,122,857	\$ 75,406,012	\$ 78,562,040	\$ 81,964,782	\$ 89,370,992	\$ 91,938,150
Restricted	9,819,765	10,395,451	11,064,701	9,498,608	10,074,073	10,399,662	11,645,923	12,055,946	8,445,719	10,043,948
Unrestricted	9,858,507	7,292,176	5,280,125	2,316,581	(16,350,243)	(18,605,444)	(22,998,329)	(58,598,293)	(61,741,471)	(59,816,182)
Total governmental activities net position	<u>\$ 86,024,416</u>	<u>\$ 84,168,308</u>	<u>\$ 84,066,414</u>	<u>\$ 82,764,312</u>	<u>\$ 66,846,687</u>	<u>\$ 67,200,230</u>	<u>\$ 67,209,634</u>	<u>\$ 35,422,435</u>	<u>\$ 36,075,240</u>	<u>\$ 42,165,916</u>
Business-type Activities										
Net investment in capital assets	\$ 10,130,166	\$ 10,112,616	\$ 9,934,061	\$ 9,759,859	\$ 9,689,182	\$ 9,605,608	\$ 10,012,428	\$ 9,992,712	\$ 9,786,689	\$ 9,511,381
Unrestricted	714,322	867,424	861,266	710,838	(1,242,467)	(1,097,588)	(2,051,395)	(5,946,565)	(1,228,570)	(1,486,950)
Total business-type activities net position	<u>\$ 10,844,488</u>	<u>\$ 10,980,040</u>	<u>\$ 10,795,327</u>	<u>\$ 10,470,697</u>	<u>\$ 8,446,715</u>	<u>\$ 8,508,020</u>	<u>\$ 7,961,033</u>	<u>\$ 4,046,147</u>	<u>\$ 8,558,119</u>	<u>\$ 8,024,431</u>
Primary Government										
Net investment in capital assets	\$ 76,476,310	\$ 76,593,297	\$ 77,655,649	\$ 80,708,982	\$ 82,812,039	\$ 85,011,620	\$ 88,574,468	\$ 91,957,494	\$ 99,157,681	\$ 101,449,531
Restricted	9,819,765	10,395,451	11,064,701	9,498,608	10,074,073	10,399,662	11,645,923	12,055,946	8,445,719	10,043,948
Unrestricted	10,572,829	8,159,600	6,141,391	3,027,419	(17,592,710)	(19,703,032)	(25,049,724)	(64,544,858)	(62,970,041)	(61,303,132)
Total primary government net position	<u>\$ 96,868,904</u>	<u>\$ 95,148,348</u>	<u>\$ 94,861,741</u>	<u>\$ 93,235,009</u>	<u>\$ 75,293,402</u>	<u>\$ 75,708,250</u>	<u>\$ 75,170,667</u>	<u>\$ 39,468,582</u>	<u>\$ 44,633,359</u>	<u>\$ 50,190,347</u>

* Negative unrestricted net position results from implementing GASB 68 in fiscal year 2015; prior periods have not been restated.

Data source: Audited financial statements

TOWN OF NORWELL, MASSACHUSETTS										
Changes in Net Position										
Last Ten Fiscal Years										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General government	\$ 1,826,875	\$ 2,025,265	\$ 2,185,171	\$ 2,705,467	\$ 2,382,141	\$ 3,682,858	\$ 4,058,740	\$ 3,237,189	\$ 4,593,073	\$ 4,449,682
Public safety	4,981,802	4,884,987	5,046,565	5,445,348	5,662,652	9,429,556	9,930,970	6,898,194	7,843,329	8,132,401
Education	28,237,153	29,098,003	31,864,627	33,342,133	31,172,630	37,001,437	40,677,506	42,028,517	44,354,880	46,623,371
Public works	2,256,112	2,255,889	2,259,253	2,979,230	3,180,171	2,827,045	5,184,519	4,047,461	3,897,408	4,083,984
Health and human services	1,060,036	1,018,149	1,010,648	1,166,852	1,240,050	1,824,023	1,717,504	1,618,647	1,806,967	1,805,745
Cultural and recreation	992,338	974,869	995,143	902,324	433,487	1,585,395	1,525,205	1,091,417	1,470,991	1,141,329
Interest	910,882	909,350	864,734	768,969	801,978	725,926	696,687	624,589	579,444	563,340
Intergovernmental	1,027,953	1,153,843	1,128,556	1,186,229	1,166,407	1,169,710	1,188,776	**	**	**
Employee benefits	8,961,266	8,985,679	9,189,592	9,400,253	9,350,481	*	*	*	*	*
Total governmental activities expenses	50,254,417	51,306,034	54,544,289	57,896,805	55,389,997	58,245,950	64,979,907	59,546,014	64,546,092	66,799,852
Business-type Activities										
Water operations	1,730,536	1,684,192	1,824,252	1,776,704	2,094,438	2,052,977	2,337,384	1,427,325	1,995,812	2,574,502
Total business-type activities expenses	1,730,536	1,684,192	1,824,252	1,776,704	2,094,438	2,052,977	2,337,384	1,427,325	1,995,812	2,574,502
Total primary government expenses	\$ 51,984,953	\$ 52,990,226	\$ 56,368,541	\$ 59,673,509	\$ 57,484,435	\$ 60,298,927	\$ 67,317,291	\$ 60,973,339	\$ 66,541,904	\$ 69,374,354
Program Revenues										
Governmental Activities										
Charges for services:										
General government	\$ 422,585	\$ 446,294	\$ 552,251	\$ 455,525	\$ 427,815	\$ 461,033	\$ 448,022	\$ 574,350	\$ 527,305	\$ 624,772
Public safety	979,622	1,218,660	1,191,348	1,372,358	1,339,043	1,242,920	1,245,075	1,234,145	1,242,317	1,250,010
Education	1,048,267	1,630,111	1,480,161	1,591,554	1,568,446	1,547,872	1,607,497	1,708,364	1,894,745	1,332,839
Public works	21,990	25,735	24,705	23,701	27,097	3,840	27,260	29,375	46,359	37,302
Health and human services	103,831	83,239	81,491	95,625	91,910	81,271	184,405	139,774	144,205	171,430
Cultural and recreation	269,113	289,022	275,567	267,222	291,943	364,544	422,244	470,182	446,219	492,766
Operating grants and contributions	9,707,240	10,129,112	10,482,485	10,712,205	8,139,289	9,734,290	11,705,925	12,027,585	12,715,450	15,111,153
Capital grants and contributions	497,572	7,500	582,798	406,197	1,057,513	7,500	1,587,755	2,519,056	1,980,726	1,708,865
Total government activities program revenues	13,050,220	13,829,673	14,670,806	14,924,387	12,943,056	13,443,270	17,228,183	18,702,831	18,997,326	20,729,137
Business-type Activities										
Charges for services:										
Water operations	1,781,905	1,989,444	1,809,339	1,836,014	2,140,121	2,113,493	1,789,650	1,941,040	1,911,846	2,040,814
Total business - type activities revenues	1,781,905	1,989,444	1,809,339	1,836,014	2,140,121	2,113,493	1,789,650	1,941,040	1,911,846	2,040,814
Total primary government revenues	\$ 14,832,125	\$ 15,819,117	\$ 16,480,145	\$ 16,760,401	\$ 15,083,177	\$ 15,556,763	\$ 19,017,833	\$ 20,643,871	\$ 20,909,172	\$ 22,769,951
Net (Expense)/Revenue										
Governmental activities	\$ (37,204,197)	\$ (37,476,361)	\$ (39,873,483)	\$ (42,972,418)	\$ (42,446,941)	\$ (44,802,680)	\$ (47,751,724)	\$ (40,843,183)	\$ (45,548,766)	\$ (46,070,715)
Business-type activities	51,369	305,252	(14,913)	59,310	45,683	60,516	(547,734)	513,715	(83,966)	(533,688)
Total primary government net (expense)	\$ (37,152,828)	\$ (37,171,109)	\$ (39,888,396)	\$ (42,913,108)	\$ (42,401,258)	\$ (44,742,164)	\$ (48,299,458)	\$ (40,329,468)	\$ (45,632,732)	\$ (46,604,403)

(continued)

Data source: Audited financial statements

* Beginning in FY16 the employee benefits have been allocated to the various function based on a % of total salaries and wages

**Beginning in FY18 the Intergovernmental have been allocated to the various applicable functions

TOWN OF NORWELL, MASSACHUSETTS										
Change in Net Position										
Last Ten Fiscal Years										
(continued)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Real estate and personal property-net of refunds payable	\$ 31,864,541	\$ 32,315,698	\$ 36,295,390	\$ 37,432,458	\$ 39,633,658	\$ 41,361,357	\$ 42,821,370	\$ 43,983,864	\$ 45,512,643	\$ 46,905,811
Excise tax	1,707,595	1,773,411	1,914,269	1,995,931	2,080,619	2,054,655	2,500,919	2,397,739	2,467,306	2,495,355
Penalties, interest, and other taxes	170,171	259,981	153,885	101,053	135,049	136,001	262,384	164,894	384,712	-
Grants, contributions - not restricted to specific programs	989,931	934,790	1,005,969	1,141,390	1,095,663	1,150,859	1,242,395	1,279,617	1,246,581	1,297,255
Investment income	201,349	243,343	244,329	302,507	224,035	360,674	267,435	255,258	740,642	562,459
Miscellaneous	209,732	268,454	376,213	604,748	675,746	422,843	666,625	833,507	443,834	900,511
Transfers	127,500	(175,423)	(218,466)	92,229	(149,106)	(330,166)	-	-	-	-
Total government activities	35,270,819	35,620,254	39,771,589	41,670,316	43,695,664	45,156,223	47,761,128	48,914,879	50,795,718	52,161,391
Business-type activities										
Miscellaneous	300	300	200	210	7,707	789	747	165	1,791	-
Transfers	(127,500)	(170,000)	(170,000)	(384,150)	(170,000)	-	-	-	-	-
Total business type activities	(127,200)	(169,700)	(169,800)	(383,940)	(162,293)	789	747	165	1,791	-
Total primary government	\$ 35,143,619	\$ 35,450,554	\$ 39,601,789	\$ 41,286,376	\$ 43,533,371	\$ 45,157,012	\$ 47,761,875	\$ 48,915,044	\$ 50,797,509	\$ 52,161,391
Changes in Net Position										
Governmental activities	\$ (1,933,378)	\$ (1,856,107)	\$ (101,894)	\$ (1,302,102)	\$ 1,248,723	\$ 353,543	\$ 9,404	\$ 8,071,696	\$ 5,246,952	\$ 6,090,676
Business-type activities	(75,831)	135,552	(184,713)	(324,630)	(116,610)	61,305	(546,987)	513,880	(82,175)	(533,688)
Total primary government changes in net position	\$ (2,009,209)	\$ (1,720,555)	\$ (286,607)	\$ (1,626,732)	\$ 1,132,113	\$ 414,848	\$ (537,583)	\$ 8,585,576	\$ 5,164,777	\$ 5,556,988

Data source: Audited financial statements

* Beginning in FY16, indirect costs are reported as an expense in the Enterprise fund instead of a transfer to the General Fund

TOWN OF NORWELL, MASSACHUSETTS										
Fund Balance, Governmental Funds										
Last Ten Fiscal Years										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	1,472,084	1,347,278	1,225,093	1,096,866	975,117	856,603	742,773	633,626	529,163	428,644
Committed	3,404,763	3,049,068	3,568,755	2,316,942	2,143,807	3,257,901	2,431,456	2,550,552	3,056,284	4,332,963
Assigned	1,395,651	1,829,042	1,767,433	1,827,907	1,398,194	1,598,931	1,772,182	2,281,875	2,701,503	1,701,338
Unassigned	2,845,100	2,927,122	3,470,917	4,848,692	5,609,599	6,813,396	7,656,961	7,116,451	6,702,885	7,642,280
Total general fund	\$ 9,117,598	\$ 9,152,510	\$ 10,032,198	\$ 10,090,407	\$ 10,126,717	\$ 12,526,831	\$ 12,603,372	\$ 12,582,504	\$ 12,989,835	\$ 14,105,225
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Permanent funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	378,092	378,092	378,092	378,092	378,092	378,092	378,092	438,041	471,786	487,306
Restricted	4,298,445	4,463,290	5,209,866	9,379,238	5,276,542	7,987,290	6,036,294	7,579,831	5,848,711	13,821,284
Committed	-	-	7,227,432	5,550,331	4,751,835	4,818,393	5,485,404	6,470,540	3,890,498	403,000
Unassigned	-	(6,313)	-	(98,827)	-	(5,797)	(95,304)	(69,899)	-	(31,413)
Total all other governmental funds:	\$ 4,676,537	\$ 4,835,069	\$ 12,815,390	\$ 15,208,834	\$ 10,406,469	\$ 13,177,978	\$ 11,804,486	\$ 14,418,513	\$ 10,210,995	\$ 14,680,177

Data source: Audited financial statements

TOWN OF NORWELL, MASSACHUSETTS										
Changes in Fund Balances, Governmental Funds										
Last Ten Fiscal Years										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Real estate and personal property taxes										
net of tax refunds	\$ 31,784,257	\$ 32,508,405	\$ 36,265,288	\$ 37,054,057	\$ 39,454,128	\$ 41,362,543	\$ 42,805,647	\$ 43,791,331	\$ 45,621,001	\$ 47,410,875
Motor vehicle and other excise taxes	1,630,323	1,857,834	1,865,981	2,044,029	2,036,241	2,098,707	2,404,146	2,480,786	2,437,802	2,421,952
Penalties, interest and other taxes	170,171	259,981	153,885	101,053	135,049	136,001	262,384	164,894	384,712	329,986
Charges for services	2,226,633	2,724,799	2,920,786	2,983,691	2,985,360	3,007,878	3,148,320	3,392,525	3,549,505	3,196,240
Intergovernmental	11,641,940	11,818,233	12,571,126	12,754,224	8,156,059	7,308,188	15,216,976	13,423,612	13,684,948	14,585,631
License and permits	485,140	667,516	680,108	758,958	756,884	670,575	680,383	760,230	662,364	710,388
Fines and forfeitures	113,036	90,207	55,649	56,820	39,027	43,241	50,433	48,914	35,783	25,326
Investment income	201,856	243,344	244,328	302,508	224,035	360,673	267,435	255,258	740,642	562,459
Miscellaneous	363,296	407,649	545,165	767,227	719,489	428,738	652,914	673,507	455,864	570,568
Total Revenues	48,616,652	50,577,968	55,302,316	56,822,567	54,506,272	55,416,544	65,488,638	64,991,057	67,572,621	69,813,425
Expenditures										
General government	2,617,323	2,439,500	2,748,322	5,645,646	4,509,723	3,004,334	2,820,683	2,638,392	8,190,474	3,674,883
Public safety	4,922,868	4,878,503	5,086,805	6,921,003	9,073,088	6,008,793	6,250,471	6,295,464	6,179,976	7,462,452
Education	26,744,437	27,636,087	30,743,601	31,826,324	27,035,706	28,065,758	34,714,726	33,596,281	34,800,098	35,157,740
Public works	2,418,120	2,354,423	2,624,540	3,067,053	4,744,560	2,402,344	7,829,576	5,646,199	4,864,470	2,810,404
Health and human services	1,057,080	1,059,698	1,080,426	1,151,931	1,236,564	1,438,564	1,402,450	1,516,378	1,655,152	1,627,605
Cultural and recreation	942,427	934,443	965,075	958,703	1,027,489	1,028,334	1,065,959	1,217,351	2,203,544	6,488,439
Employee benefits	6,529,485	6,931,278	6,869,988	7,031,178	7,144,945	7,514,150	8,292,093	8,780,653	9,307,315	9,376,065
Debt service										
Principal	1,877,168	1,877,327	1,841,101	1,978,107	2,382,761	2,356,842	2,524,169	2,402,474	2,342,444	2,237,444
Interest	910,882	909,350	864,734	768,969	801,978	725,926	696,687	624,589	603,213	504,738
Intergovernmental	1,027,953	1,153,843	1,128,556	1,186,229	1,166,407	1,169,710	1,188,776	1,280,117	1,226,422	1,392,486
Total Expenditures⁽¹⁾	49,047,743	50,174,452	53,953,148	60,535,143	59,123,221	53,714,755	66,785,590	63,997,898	71,373,108	70,732,256
Excess of revenues over/(under) expenditures	(431,091)	403,516	1,349,168	(3,712,576)	(4,616,949)	1,701,789	(1,296,952)	993,159	(3,800,487)	(918,831)
Other Financing Sources (Uses)										
Issuance of bonds and notes	1,300,000	-	862,620	6,072,000	-	3,800,000	-	1,600,000	-	6,020,000
Bond premiums	-	-	-	-	-	-	-	-	-	483,703
Transfer in	282,500	860,005	204,100	785,956	529,806	1,179,237	153,583	776,257	143,858	429,500
Transfer out	(155,000)	(1,035,429)	(422,566)	(693,727)	(678,912)	(1,509,403)	(153,583)	(776,257)	(143,858)	(429,500)
Total other financing sources (uses)	1,427,500	(175,424)	644,154	6,164,229	(149,106)	3,469,834	-	1,600,000	-	6,503,703
Net change in fund balance	\$ 996,409	\$ 228,092	\$ 1,993,322	\$ 2,451,653	\$ (4,766,055)	\$ 5,171,623	\$ (1,296,952)	\$ 2,593,159	\$ (3,800,487)	\$ 5,584,872
Debt Service as a percentage of non-capitalized expenditures ⁽²⁾	*	*	*	*	*	6.06%	5.22%	5.00%	4.34%	4.30%

Data source: Audited financial statements

⁽¹⁾Certain Capital Expenditures from various functions have been capitalized on the Statement of Net Assets/Position

⁽²⁾Capital Outlay Purchases from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities are used to calculate this ratio.

*Information is not available.

TOWN OF NORWELL, MASSACHUSETTS
 Assessed Value* of Taxable Property by Classification
 Last Ten Fiscal Years

Fiscal Year	Assessed Value							
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Town Value
2011	\$ 1,873,034,973	\$13.87	\$ 271,495,555	\$ 58,048,500	\$ 35,392,830	\$ 364,936,885	\$13.87	\$ 2,237,971,858
2012	\$ 1,897,232,345	\$14.24	\$ 260,517,135	\$ 53,060,400	\$ 33,033,550	\$ 346,611,085	\$14.24	\$ 2,243,843,430
2013	\$ 1,874,635,662	\$16.10	\$ 258,529,953	\$ 53,020,900	\$ 34,566,820	\$ 346,117,673	\$16.10	\$ 2,220,753,335
2014	\$ 1,900,143,842	\$16.37	\$ 282,402,983	\$ 29,027,700	\$ 35,078,510	\$ 346,509,193	\$16.37	\$ 2,246,653,035
2015	\$ 1,980,087,997	\$16.50	\$ 298,778,900	\$ 30,163,100	\$ 39,542,640	\$ 368,484,640	\$16.50	\$ 2,348,572,637
2016	\$ 2,057,192,147	\$16.50	\$ 301,907,024	\$ 30,185,200	\$ 44,773,220	\$ 376,865,444	\$16.50	\$ 2,434,057,591
2017	\$ 2,149,241,671	\$16.45	\$ 300,707,832	\$ 29,870,800	\$ 47,474,220	\$ 378,052,852	\$16.45	\$ 2,527,294,523
2018	\$ 2,254,980,142	\$16.34	\$ 301,706,404	\$ 30,062,400	\$ 47,593,920	\$ 379,362,724	\$16.34	\$ 2,634,342,866
2019	\$ 2,319,231,484	\$16.40	\$ 315,280,789	\$ 30,177,300	\$ 49,936,200	\$ 395,394,289	\$16.40	\$ 2,714,625,773
2020	\$ 2,359,178,932	\$16.63	\$ 317,751,447	\$ 30,953,000	\$ 53,673,680	\$ 402,378,127	\$16.63	\$ 2,761,557,059

Data source: Town of Norwell Tax Recapitulation Sheets

*Assessed value is comparable to estimated actual value

TOWN OF NORWELL, MASSACHUSETTS

Principal Taxpayers
Current and Nine Years Ago

Name of Business	Nature of Business	2020			2011		
		Assessed Valuation	Rank	% of Total Taxable Assessed Value	Assessed Valuation	Rank	% of Total Taxable Assessed Value
Foxrock Norwell Campus LLC	Medical Office	\$34,252,700	1	1.24%	24,136,800	1	1.08%
Guttman Stephen J Trust	Shopping Plaza Queen Ann	23,977,800	2	0.87%	\$21,558,900	2	0.96%
RMR OPFCP LP	Asset Management Company	16,572,400	3	0.60%	-	0	0.00%
Massachusetts Electric Company	Utility	14,759,740	4	0.53%	-	0	0.00%
TRT Norwell LLC	Stop and Shop Supermarket	11,443,500	5	0.41%	\$12,078,000	3	0.54%
Gordon, Ronald L Trustee	Office & Warehouse	10,083,300	6	0.37%	\$7,220,100	8	0.32%
Foxrock Assinippi Realty LLC	Office Building	9,104,700	7	0.33%	-	0	0.00%
Southwood at Norwell Nursing	Nursing Home	8,882,700	8	0.33%	\$8,807,600	6	0.40%
Columbia Gas	Utility	8,249,190	9	0.30%	-	0	0.00%
Jumbo Capital Norwell Partnership	Office Building	7,827,400	10	0.28%	-	0	0.00%
Totals		<u>\$145,153,430</u>		<u>5.26%</u>	<u>\$ 73,801,400</u>		<u>3.30%</u>
Total Town Assessed Value		<u>\$2,761,557,059</u>			<u>\$ 2,237,971,858</u>		

Source: Board of Assessors, Town of Norwell

TOWN OF NORWELL, MASSACHUSETTS
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Overlay Reserve for Abatements	Net Tax Levy	Collections During the Fiscal Year Payable		Collections in Subsequent Years	Collections as of June 30, 2020	
				Dollar Amount	% of Net Levy*		Dollar Amount	% of Net Levy ⁽¹⁾
2011	\$ 31,040,670	\$ 432,169	\$ 30,608,501	\$ 30,467,792	99.54%	\$ 444,599	\$ 30,912,391	101.0%
2012	\$ 31,952,330	\$ 631,245	\$ 31,321,085	\$ 31,416,104	100.30%	\$ 306,370	\$ 31,722,474	101.3%
2013	\$ 35,754,129	\$ 752,740	\$ 35,001,389	\$ 35,193,799	100.55%	\$ 230,593	\$ 35,424,392	101.2%
2014	\$ 36,777,710	\$ 827,806	\$ 35,949,904	\$ 35,424,251	98.54%	\$ 1,068,042	\$ 36,492,293	101.5%
2015	\$ 38,751,449	\$ 1,091,564	\$ 37,659,885	\$ 38,079,123	101.11%	\$ 403,622	\$ 38,482,745	102.2%
2016	\$ 40,161,914	\$ 951,174	\$ 39,210,740	\$ 39,480,526	100.69%	\$ 286,821	\$ 39,767,347	101.4%
2017	\$ 41,573,994	\$ 804,836	\$ 40,769,158	\$ 40,961,100	100.47%	\$ 224,426	\$ 41,185,526	101.0%
2018	\$ 43,045,164	\$ 621,600	\$ 42,423,564	\$ 42,343,900	99.81%	\$ 268,314	\$ 42,612,214	100.4%
2019	\$ 44,519,863	\$ 713,303	\$ 43,806,560	\$ 43,628,330	99.59%	\$ 413,643	\$ 44,041,973	100.5%
2020	\$ 45,924,694	\$ 631,606	\$ 45,293,088	\$ 45,247,307	99.90%	\$ -	\$ 45,247,307	99.9%

Data source: DLS Databank - Tax Levies by Class
Town of Norwell General Ledger
Bond Prospectus

*Net tax levy is calculated using estimated overlay reserved for abatements, not actual abatements.
Unused overlay can result in actual collections exceeding the budgeted tax.

TOWN OF NORWELL, MASSACHUSETTS
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities Debt							
Fiscal Year	Population	Total Personal Income	Assessed Valuation	General Obligation Bonds	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value
2011	10,293	\$ 761,465,847	\$ 2,237,971,858	\$ 20,925,282	\$ 73,979	2.7480%	0.9350%
2012	10,336	\$ 719,271,904	\$ 2,243,843,430	\$ 19,070,611	\$ 69,589	2.6514%	0.8499%
2013	10,506	\$ 679,107,840	\$ 2,220,753,335	\$ 18,153,083	\$ 64,640	2.6731%	0.8174%
2014	10,557	\$ 680,873,715	\$ 2,246,653,035	\$ 22,138,399	\$ 64,495	3.2515%	0.9854%
2015	10,574	\$ 755,025,896	\$ 2,348,572,637	\$ 19,774,124	\$ 71,404	2.6190%	0.8420%
2016	10,723	\$ 749,923,728	\$ 2,434,057,591	\$ 21,206,246	\$ 69,936	2.8278%	0.8712%
2017	10,870	\$ 859,197,410	\$ 2,527,294,523	\$ 18,737,753	\$ 79,043	2.1808%	0.7414%
2018	10,984	\$ 883,574,928	\$ 2,634,342,866	\$ 17,773,633	\$ 80,442	2.0116%	0.6747%
2019	10,984	\$ 977,949,456	\$ 2,714,625,773	\$ 15,431,186	\$ 89,034	1.5779%	0.5684%
2020	10,984	\$ 1,014,273,544	\$ 2,761,557,059	\$ 19,213,745	\$ 92,341	1.8943%	0.6958%

Business - Type Activities Debt		Total Primary Government			
Fiscal Year	Water Fund	Total Debt Outstanding	Per Capita Income	Percentage of Personal Income	Percentage of Assessed Value
2011	\$ 1,590,000	\$ 22,515,282	\$ 73,979	2.96%	1.01%
2012	\$ 1,330,000	\$ 20,400,611	\$ 69,589	2.84%	0.91%
2013	\$ 1,110,000	\$ 19,263,083	\$ 64,640	2.84%	0.87%
2014	\$ 2,170,000	\$ 24,308,399	\$ 64,495	3.57%	1.08%
2015	\$ 1,915,000	\$ 21,689,124	\$ 71,404	2.87%	0.92%
2016	\$ 1,660,000	\$ 22,866,246	\$ 69,936	3.05%	0.94%
2017	\$ 1,415,000	\$ 20,152,753	\$ 79,043	2.35%	0.80%
2018	\$ 1,260,000	\$ 19,033,633	\$ 80,442	2.15%	0.72%
2019	\$ 1,105,000	\$ 16,536,186	\$ 89,034	1.69%	0.61%
2020	\$ 950,000	\$ 20,163,745	\$ 92,341	1.99%	0.73%

Data source: Massachusetts Department of Revenue, Local Services Division
Audited financial statements

TOWN OF NORWELL, MASSACHUSETTS
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2020

	Debt Outstanding 6/30/2020	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt ⁽¹⁾
Debt repaid with property taxes:			
Plymouth County	\$ 1,100,000	3.44%	\$ 37,840
South Shore Regional Vocational School	122,188	1.03%	1,259
Subtotal, overlapping debt			39,099
Town governmental direct debt			19,213,745
Total direct and overlapping debt			<u>\$ 19,252,844</u>

Data source: Plymouth County Treasurer
 South Shore Regional Vocational School

⁽¹⁾Estimated share based on debt service only.

TOWN OF NORWELL, MASSACHUSETTS
 Legal Debt Margin Information
 Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Valuation ⁽¹⁾	\$2,614,682,100	\$2,426,601,200	\$2,426,601,200	\$2,356,322,900	\$2,356,322,900	\$2,543,299,700	\$2,543,299,700	\$2,807,594,400	\$2,807,594,400	\$2,967,834,000
Debt Limit - 5% of equalized valuation	130,734,105	121,330,060	121,330,060	117,816,145	117,816,145	127,164,985	127,164,985	140,379,720	140,379,720	148,391,700
Less:										
Total debt applicable to limitation ⁽²⁾	10,418,985	9,425,891	9,352,230	14,199,990	12,698,158	14,992,724	13,386,676	13,310,000	11,855,000	16,525,000
Legal debt margin	\$120,315,120	\$111,904,169	\$111,977,830	\$103,616,155	\$105,117,987	\$112,172,261	\$113,778,309	\$127,069,720	\$128,524,720	\$131,866,700
Total debt applicable to the limit as a percentage of debt limit	7.97%	7.77%	7.71%	12.05%	10.78%	11.79%	10.53%	9.48%	8.44%	11.14%

Data source:

⁽¹⁾ MA Bureau of Local Services (DataBank)

⁽²⁾ Town of Norwell

TOWN OF NORWELL, MASSACHUSETTS
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population Estimates	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2011	10,293	\$73,979	43.8	2,343	7.20%
2012	10,336	\$69,589	43.8	2,336	4.50%
2013	10,506	\$64,640	43.8	2,331	4.70%
2014	10,557	\$64,495	43.8	2,263	3.90%
2015	10,574	\$71,404	43.8	2,261	3.70%
2016	10,723	\$69,936	43.8	2,199	3.20%
2017	10,870	\$79,043	43.8	2,192	2.40%
2018	10,984	\$80,442	43.8	2,197	3.40%
2019	10,984	\$89,034	43.8	2,192	2.50%
2020	10,984	\$92,341	43.8	2,210	15.50%*

Data source: DLS Databank - Labor Force
Town of Norwell City-data
DESE October 1 reports

*Related to ongoing COVID-19 pandemic

Current Year and Nine Years Ago

Employer	Type of Business	2020			2011		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Clean Harbors	Environmental Services	621	1	12.20%	450	1	8.29%
South Shore Hospital	Medical Services	475	2	9.33%	289	2	5.32%
Harbor Medical Associates	Medical Services	466	3	9.15%	-	-	0.00%
NVNA and Hospice	Nursing	266	4	5.22%	-	-	0.00%
Southwood at Norwell Nursing Home	Nursing	157	5	3.08%	140	6	2.58%
Signet Electronics	IT/Technology	127	6	2.49%	-	-	0.00%
Super Stop & Shop	Supermarket	127	7	2.49%	156	5	2.87%
Big Y World Class Market	Supermarket	124	8	2.44%	-	-	0.00%
Avedis Zildjian Company	Manufacturer	105	9	2.06%	-	-	0.00%
EOS CCA	Collection Agency	85	10	1.67%	-	-	0.00%
	Total Principal Employers	2553			1035		
	Total Town Employment (1)	<u>5091</u>			<u>5428</u>		

Data source: Executive Office of Labor and Workforce Development (EOLWD)

Notes:

(1) MA Bureau of Local Services (DataBank)

TOWN OF NORWELL, MASSACHUSETTS
 Government Employees by Function - Full Time Equivalents
 Last Ten Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:	17.89	17.80	19.28	20.40	20.40	21.68	22.00	22.27	22.51	22.96
Public Safety:										
Police	32.75	29.95	29.95	29.97	30.01	30.01	30.82	30.78	30.78	31.78
Fire	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	23.00
Inspection	2.00	1.89	1.89	1.89	1.89	1.89	1.89	2.27	2.43	3.63
Sub-Total	56.75	53.84	53.84	53.86	53.90	53.90	54.71	55.05	55.21	58.41
Education:	239.30	251.60	265.60	271.60	271.20	270.10	267.30	271.90	271.20	272.80
Public Works:										
Highway	7.25	7.25	7.25	7.25	7.52	7.52	8.52	9.25	9.25	9.25
Tree and Grounds	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00
Water	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00
Sub-Total	21.25	21.25	21.25	21.25	21.52	21.52	22.52	24.25	25.25	25.25
Health and Human Services:										
Board of Health	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Council on Aging	3.69	3.83	3.83	3.83	4.01	4.27	4.27	4.47	4.20	4.20
Sub-Total	5.69	5.83	5.83	5.83	6.01	6.27	6.27	6.47	6.20	6.20
Culture and Recreation:										
Library	7.69	7.04	7.20	7.24	7.27	7.27	7.39	7.39	7.39	7.39
Recreation	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Sub-Total	9.29	8.64	8.80	8.84	8.87	8.87	8.99	8.99	8.99	8.99
TOTALS:	350.17	358.96	374.60	381.78	381.90	382.34	381.79	388.93	389.36	394.61

Source: Town of Norwell Budget Manuals

TOWN OF NORWELL, MASSACHUSETTS
 Operating Indicators by Function
 Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Town Clerk										
Registered Voters	7,348	7,502	7,398	7,384	7,561	7,913	7,869	7,901	7,961	8,027
Finance										
Taxable property parcels assessed	4,420	4,473	4,476	4,514	4,515	4,526	4,546	4,557	4,512	4,492
Motor vehicles registered	11,887	11,464	11,493	11,727	12,304	12,731	12,542	13,537	13,079	13,002
Police										
Physical arrests	136	89	33	96	72	77	85	67	56	41
Traffic violations	558	812	1,211	2,395	1,557	1,295	1,645	2,504	2,072	1,425
Fire										
Calls answered	2,187	2,070	2,322	2,169	2,385	2,380	2,257	1,976	2,031	2,251
Emergency responses	384	296	437	280	377	371	315	396	213	362
Fires extinguished	48	35	50	45	63	58	55	40	30	39
Number of inspections conducted	341	406	427	481	488	478	448	385	313	352
Emergency medical responses	1,154	1,122	1,173	1,300	1,303	1,285	1,220	922	1,287	1,319
Building										
Building permits issued	363	468	530	550	626	686	617	531	530	535
Estimated construction value	\$1,602,720	\$3,237,160	\$3,741,240	\$3,997,910	\$2,849,890	\$3,317,700	\$2,566,910	\$2,901,780	\$2,253,020	\$2,870,787
Public Library										
Volumes of collections	66,522	66,663	69,472	205,124	224,605	218,359	255,310	90,213	82,059	107,602
Total circulation	156,402	165,148	154,134	150,874	145,375	138,899	119,689	137,216	147,206	162,916
Registered borrowers	5,459	5,374	5,379	5,260	5,056	4,929	5,053	4,876	5,016	4,969
Water										
Water main breaks	15.00	22.00	19.00	33.00	19.00	19.00	27.00	16.00	15.00	16.00
Daily average consumption - MGD	0.99	0.99	1.04	1.12	0.99	1.09	1.05	0.948	0.973	0.921
Peak daily consumption - MGD	1.86	1.65	2.08	1.89	1.74	1.99	1.81	1.74	1.75	1.57

Data source: Various Town departments
 Registered Voters - Town Report
 DLS Databank

TOWN OF NORWELL, MASSACHUSETTS
 Capital Assets Statistics by Function
 Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire and Rescue										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of ladder trucks	1	1	1	1	1	1	1	1	1	1
Number of pumpers	4	4	4	4	4	4	4	4	4	4
Number of support vehicles	4	4	4	4	4	4	4	4	4	6
Public Works										
Miles of street	89.15	88.68	88.69	88.69	88.69	89.09	89.09	90.01	90.01	90.01
Number of storm drains	1507	1507	1507	1507	1507	1507	1507	1515	1515	1515
Recreation										
Number of parks	21	21	21	23	23	23	23	23	23	23
Park acreage	1362	1362	1362	1401	1473	1475	1475	1475	1475	1475
Ball fields	11	11	11	11	11	11	11	11	11	11
Tennis courts	8	8	8	8	8	8	8	8	8	8
Water System										
Miles of water mains	85.75	86.75	87.75	88.84	89.09	89.59	89.59	89.78	89.78	89.84
Number of service connections	3545	3571	3604	3626	3609	3656	3670	3723	3725	3748
Storage capacity in gallons (millions of gallons)	2.07	2.07	2.07	2.07	2.07	2.07	2.07	2.07	2.07	2.10
Maximum daily capacity of plant (millions of gallons)	2.1	1.75	2.19	1.93	1.85	1.99	1.81	1.81	1.81	1.81
Number of fire hydrants	746	756	766	777	781	786	787	789	789	821

Data source: Town reports
 Various Town departments