

# **TOWN OF SEEKONK, MASSACHUSETTS**

## **ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**



**Shawn E. Cadime**  
**Town Administrator**

**Jennifer Argo**  
**Finance Director**

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**Town of Seekonk, Massachusetts**  
**Fiscal Year 2024**

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**Town of Seekonk, Massachusetts  
Fiscal Year 2024**

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## *Independent Auditor's Report*

To the Honorable Board of Selectmen  
Town of Seekonk, Massachusetts

### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to the financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining general fund and nonmajor fund financial statements 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining general fund and nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2025, on our consideration of the Town of Seekonk, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Seekonk, Massachusetts' internal control over financial reporting and compliance.

*Hague, Sahady & Co., CPA's, P.C.*

Hague, Sahady & Co., CPAs, P.C.  
Fall River, Massachusetts

March 26, 2025

## **Town of Seekonk, Massachusetts**

### **Management Discussion & Analysis (MD&A)**

*For the Year Ended June 30, 2024*

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#### **Management's Discussion and Analysis (Unaudited)**

As management of the Town of Seekonk (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage readers to consider this information in addition to the statements and notes.

The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). GASB is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Users of these financial statements, such as investors and rating agencies, rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users can assess the financial condition of one government compared to others.

#### ***Financial Highlights:***

##### **Government-Wide Financial Statements:**

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$280,171 (*net position*) at the government-wide level.
- The impact of the net pension and other-post employment benefit obligations to the Town's net position totals \$61,468,076 which is included in the Town's total negative unrestricted net position.
- The government's total net position increased by \$1,281,556 in fiscal 2024. Within this total, net position of the governmental activities increased by \$1,093,224 from fiscal 2023. Net position of the business-type activities increased by \$188,332 from fiscal 2023. These changes year-over-year are due primarily to the continued impact of the changes in net pension and other post-employment benefit obligations.
- The total cost of all Town services for fiscal 2024 was \$87,165,225 (GAAP); \$85,822,284 of which was for governmental activities, and \$1,342,941 of which was for business-type activities.
- The unrestricted net position of the Town's business-type activities is \$983,206 and may be used to meet the ongoing obligations of the Town's Curbside Trash Collection and Recycling business-type activities.

##### **Governmental Fund Financial Statements:**

- At June 30, 2024, the Town's governmental funds had combined ending fund balances of \$28,994,950. The combined governmental funds balances increased by \$2,861,950 from the prior year's ending fund balance. A total of \$5,317,795 is considered unassigned at June 30, 2024.
- The Town's general fund reported a total fund balance of \$18,917,957 at the end of fiscal 2024. The unassigned fund balance for the general fund was \$5,741,706 or 7.8% of total general fund expenditures. There was a \$1,809,029 increase in the total general fund balance for the year.

**Town of Seekonk, Massachusetts**  
Management Discussion & Analysis (MD&A)  
*For the Year Ended June 30, 2024*

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***Financial Highlights (Continued):***

- The Town's total bonded debt decreased by \$1,928,357.
- The 2023 short-term bond anticipation note (BAN) of \$1,175,000 were retired in 2024. A new BAN was issued on May 23, 2024 in the amount of \$1,925,000.
- The Town maintains an OPEB Trust Fund to pre-fund health benefits as they become due. The establishment and annual funding amounts are set by the policies of the individual City or Town and are not currently required by law. The balance of the OPEB Trust Fund at June 30, 2024 is \$5,853,248 which as a \$1,312,153 increase from the prior year.

***Overview of the Financial Statements:***

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Basic Financial Statements.

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the cash flows*. Thus, revenue and expenses reported in this statement for some items 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 and activities of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions and activities that are intended to recover all or a significant portion of their costs through user fees or charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, human services, culture and recreation, conservation, employee benefits, debt service, and state/county assessments. The business-type activities include sanitation services.

***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 of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

## Town of Seekonk, Massachusetts

### Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2024

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**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the *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 the evaluation of a government's near-term financing requirements.

Because the focus of governmental funds financial statements 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. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

**Proprietary funds:** *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has one enterprise fund:

- *Trash (Sanitation) Enterprise Fund* – accounts for the trash collection and disposal activities of the Town.

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

- The *private purpose trust funds*, the *other postemployment benefits trust fund*, and the *custodial funds* are reported and combined into a single, aggregate presentation in the fiduciary funds financial statements under the captions "Private Purpose Trust Funds", "Postemployment Benefits Trust", and "Custodial Funds", respectively. The Postemployment Benefits Trust fund was established to hold the assets that will fund the long-term liability associated with town retirees' health benefits.

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

**Required Supplementary Information:** The basic financial statements are followed by a section of required supplementary information, which includes the General Fund Budget and Actual, and all the Schedule for the Town Pension and OPEB.

**Supplementary Information:** These statements follow the required supplementary statements and include the combining general fund and stabilization fund details.

**Town of Seekonk, Massachusetts**  
**Management Discussion & Analysis (MD&A)**  
*For the Year Ended June 30, 2024*

***Government-wide Financial Analysis (continued):***

***Government-wide Financial Analysis:***

The chart on the following page summarizes key financial components of the Town's financial statements.

Statement of Net Position - Primary Government						
June 30, 2024 and 2023						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current assets	\$ 38,242,822	\$ 32,527,710	\$ 1,100,326	\$ 902,380	\$ 39,343,148	\$ 33,430,090
Non-current assets	53,335,903	54,050,314	18,030	-	53,353,933	54,050,314
Total assets	91,578,725	86,578,024	1,118,356	902,380	92,697,081	87,480,404
<b>Deferred outflows of resources</b>	7,937,555	9,265,970	28,575	39,737	7,966,130	9,305,707
Total assets and deferred outflows of resources	\$ 99,516,280	\$ 95,843,994	\$ 1,146,931	\$ 942,117	\$ 100,663,211	\$ 96,786,111
<b>Liabilities</b>						
Current liabilities	\$ 9,547,544	\$ 6,509,311	\$ 22,973	\$ 17,202	\$ 9,570,517	\$ 6,526,513
Long-term liabilities	81,045,350	85,964,783	140,418	155,875	81,185,768	86,120,658
Total liabilities	90,592,894	92,474,094	163,391	173,077	90,756,285	92,647,171
<b>Deferred inflows of resources</b>	9,626,421	5,302,869	334	567	9,626,755	5,303,436
<b>Net Position</b>						
Net investment in capital assets	34,001,025	33,084,865	18,030	13,185	34,019,055	33,098,050
Restricted	10,163,983	9,640,087	-	-	10,163,983	9,640,087
Unrestricted	(45,204,964)	(44,657,921)	965,176	755,288	(44,239,788)	(43,902,633)
Total net position	(1,039,956)	(1,932,969)	983,206	768,473	(56,750)	(1,164,496)
Total liabilities, deferred inflows of resources and net position	\$ 99,179,359	\$ 95,843,994	\$ 1,146,931	\$ 942,117	\$ 100,326,290	\$ 96,786,111

**Town of Seekonk, Massachusetts**  
**Management Discussion & Analysis (MD&A)**  
*For the Year Ended June 30, 2024*

**Government-wide Financial Analysis (continued):**

Changes in Net Position for the period ending June 30, 2024 and June 30, 2023 (Government-wide level)

	Changes in Net Position Primary Government					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program Revenues:						
Charges for service	\$ 5,909,243	\$ 3,611,444	\$ 1,583,435	\$ 1,497,705	\$ 7,492,678	\$ 5,109,149
Operating grants & contributions	20,467,087	20,373,315	-	-	20,467,087	20,373,315
Capital grants & contributions	2,667,248	1,290,948	-	-	2,667,248	1,290,948
General Revenues:						
Real estate and personal property, net of tax refunds payable	52,025,959	50,739,179	-	-	52,025,959	50,739,179
Tax liens	-	221,228	-	-	-	221,228
Motor vehicle and other excise taxes	3,382,564	3,006,893	-	-	3,382,564	3,006,893
Hotel / motel and meals tax	1,650,376	1,547,464	-	-	1,650,376	1,547,464
Penalties and interest on taxes	245,612	264,281	-	-	245,612	264,281
Unrestricted investment income	515,257	221,892	-	-	515,257	221,892
Total revenue	86,863,346	81,276,644	1,583,435	1,497,705	88,446,781	82,774,349
<b>Expenses:</b>						
General government	7,012,755	5,439,286	-	-	7,012,755	5,439,286
Public safety	14,244,555	14,398,503	-	-	14,244,555	14,398,503
Education	53,564,694	50,214,090	-	-	53,564,694	50,214,090
Public works	4,270,860	4,701,733	-	-	4,270,860	4,701,733
Human services	901,810	742,039	-	-	901,810	742,039
Conservation	156,650	2,125,788	-	-	156,650	2,125,788
Culture and recreation	1,580,296	1,459,790	-	-	1,580,296	1,459,790
Employee benefits	2,591,596	933,255	-	-	2,591,596	933,255
State and county assessments	702,394	675,378	-	-	702,394	675,378
Interest	796,675	572,514	-	-	796,675	572,514
Sanitation (enterprise)	-	-	1,342,941	1,339,188	1,342,941	1,339,188
Total expenses	85,822,284	81,262,376	1,342,941	1,339,188	87,165,225	82,601,564
Increase(decrease) in net position before transfers	1,041,062	14,268	240,494	158,517	1,281,556	172,785
Special Item - Proceeds from bond premium, net of costs	-	403,892	-	-	-	403,892
Transfers in (out)	52,162	57,961	(52,162)	(57,961)	-	-
Increase (decrease) in net position	1,093,224	476,121	188,332	100,556	1,281,556	576,677
Net position - beginning of year, restated	(1,796,259)	(2,409,090)	794,874	667,917	(1,001,385)	(1,741,173)
Net position - end of year	\$ (703,035)	\$ (1,932,969)	\$ 983,206	\$ 768,473	\$ 280,171	\$ (1,164,496)

**Town of Seekonk, Massachusetts**  
Management Discussion & Analysis (MD&A)  
*For the Year Ended June 30, 2024*

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***Government-wide Financial Analysis (continued):***

As noted earlier, assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$280,171 at the close of fiscal year 2024.

The largest component of the Town's total net position is its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets. This totals \$53,353,933 for the Town as a whole at June 30, 2024. The Town uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Other resources are needed to repay the debt because the capital assets cannot be used to finance these liabilities.

A modest amount of the Town's net position totaling \$10,500,904 is subject to external restrictions on how they may be used. The remaining negative balance of unrestricted net position totals (\$44,239,788). This negative net position is largely due to pension and OPEB liabilities recorded at the government-wide level of \$22,463,208 and \$39,004,868 (respectively) at June 30, 2024.

The Town decreased its total liabilities and deferred inflows of resources by \$2,432,433 over fiscal year 2023. Total assets and deferred outflows of resources increased by \$3,877,100. The increase in assets was primarily due to changes in the Town's current assets.

***Financial Analysis of Governmental Funds:***

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

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

The general fund is the chief operating fund of the Town. At June 30, 2024, unassigned fund balance of the general fund was \$5,741,706 while the total fund balance was \$18,917,957. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.83% of total general fund expenditures, while total fund balance represents 25.80% of the same amount.

General fund revenues increased by \$4,687,090 while total fund balance of the general fund increased by \$1,809,029. Real estate and personal property taxes increased by \$1,114,010, while intergovernmental revenues increased by \$5,870,558 compared to 2023. This result is also the product of management's conservative planning and budgeting and utilization of unassigned fund balance to maintain the Town's services.

The four stabilization funds have accumulated fund balances of \$11,197,196, which represents 15.30% of general fund expenditures, at the close of fiscal year 2024.

## Town of Seekonk, Massachusetts

### Management Discussion & Analysis (MD&A)

*For the Year Ended June 30, 2024*

#### ***General Fund Budget Highlights***

There was a \$483,115 increase between the original and final budget of the Town approved Town Meetings. \$190,281 is a result of additional articles from the Town Meeting. The Town budgeted \$67,618,725 in revenues and \$69,481,516 in expenditures, which includes encumbrances carried forward from 2023 of \$631,513. A detailed budget and actual can be found in the Required Supplementary Information.

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

**Capital Assets** – In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming fiscal year.

The Town's investment in capital assets (net of depreciation) for governmental and business-type activities as of June 30, 2024, amounts to \$53,353,933. The investment in capital assets includes land, buildings, capital improvements (other than buildings), machinery and equipment, vehicles, infrastructure, and construction in progress.

	Capital Asset and Debt Administration					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 5,037,257	\$ 5,037,257	\$ -	\$ -	\$ 5,037,257	\$ 5,344,354
Construction in progress	-	-	-	-	-	14,809,498
Infrastructure, net	5,474,567	5,279,874	-	-	5,474,567	5,756,306
Buildings, net	35,648,889	37,056,182	-	-	35,648,889	22,647,906
Capital improvements, net	1,379,763	1,506,525	-	-	1,379,763	1,547,194
Machinery & equipment, net	2,762,914	3,272,840	-	-	2,762,914	3,493,678
Vehicles, net	2,358,804	1,623,744	18,030	22,537	2,376,834	1,825,828
Technology, net	48,085	41,326	-	-	48,085	10,998
Intangible right to use - vehicle, net	625,624	596,738	-	-	625,624	468,625
Intangible right to use - equipment, net	-	-	-	-	-	46,254
Total	<u>\$ 53,335,903</u>	<u>\$ 54,414,485</u>	<u>\$ 18,030</u>	<u>\$ 22,537</u>	<u>\$ 53,353,933</u>	<u>\$ 55,950,640</u>

The governmental activities capital assets had additions of \$2,959,944 during the current fiscal year. Total depreciation and amortization expense was \$4,038,527 resulting in a net decrease to capital assets of \$1,107,470.

## Town of Seekonk, Massachusetts

### Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2024

**Long term debt** – The Town’s debt burden is reasonable in relation to other communities its size. Outstanding long-term debt, as of June 30, 2024, totaled \$21,259,878. Total debt consists of the following:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 18,954,774	\$ 20,799,191	\$ -	\$ -	\$ 18,954,774	\$ 20,799,191
Notes payable	1,925,000	1,175,000	-	-	1,925,000	1,175,000
Leases	380,104	166,258	-	-	380,104	166,258
Total	\$ 21,259,878	\$ 22,140,449	\$ -	\$ -	\$ 21,259,878	\$ 22,140,449

Please refer to the Notes to the Financial Statements for further discussion of the major capital and debt activities.

### ***Economic Factors and Next Year’s Budget and Rates***

The following factors were considered in preparing the Town’s fiscal year 2025 budget:

- *Pension Costs*
- *Health Insurance*
- *Sustainability of Revenues*
- *Regional Economics*
- *American Rescue Plan Act*
- *State Aid Projections*
- *Collective Bargaining Agreements*

### ***Request for Information***

This financial report is designed to provide a general overview of the Town’s finances for all of those with an interest in the Town’s finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to: Director of Finance, Town of Seekonk, 100 Peck Street, Seekonk, MA 02771.

# Town of Seekonk, Massachusetts

## Statement of Net Position

*June 30, 2024*

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and short-term investments	\$ 21,726,044	\$ 1,026,780	\$ 22,752,824
Investments	12,848,774	-	12,848,774
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes	492,251	-	492,251
Tax liens	703,863	-	703,863
Motor vehicle excise taxes	270,372	-	270,372
User fees	732,772	73,546	806,318
Departmental and other	107,939	-	107,939
Special assessments	204,008	-	204,008
Total current assets	38,242,822	1,100,326	39,343,148
Non-current assets			
Capital assets, net of accumulated depreciatio	53,335,903	18,030	53,353,933
Total non-current assets	53,335,903	18,030	53,353,933
Total assets	91,578,725	1,118,356	92,697,081
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
GASB 68 - Pension related	7,937,555	28,575	7,966,130
Total deferred outflows of resources	7,937,555	28,575	7,966,130
Total assets and deferred outflows of resources	\$ 99,516,280	\$ 1,146,931	\$ 100,663,211

*The accompanying notes are an integral part of the financial statements*

# Town of Seekonk, Massachusetts

## Statement of Net Position

June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 5,039,638	\$ 22,973	\$ 5,062,611
Accrued interest	145,948	-	145,948
Landfill postclosure care costs	37,746	-	37,746
Compensated absences	159,235	-	159,235
Leases payable	311,620	-	311,620
Bonds and notes payable	3,853,357	-	3,853,357
Total current liabilities	9,547,544	22,973	9,570,517
Portion due or payable in more than one year:			
Landfill postclosure care costs	1,123,957	-	1,123,957
Compensated absences	1,498,834	-	1,498,834
Net OPEB liability (NOL)	22,463,208	-	22,463,208
Net pension liability (NPL)	38,864,450	140,418	39,004,868
Leases payable	68,484	-	68,484
Bonds and notes payable	17,026,417	-	17,026,417
Total long-term liabilities	81,045,350	140,418	81,185,768
Total liabilities	90,592,894	163,391	90,756,285
<b>DEFERRED INFLOWS OF RESOURCES</b>			
GASB 68 - Pension related	92,837	334	93,171
GASB 75 - OPEB related	9,533,584	-	9,533,584
Total deferred inflows of resources	9,626,421	334	9,626,755
<b>NET POSITION</b>			
Net investment in capital assets	34,001,025	18,030	34,019,055
Restricted for nonspendable	336,921	-	336,921
Restricted for general government	2,698,482	-	2,698,482
Restricted for public safety	1,567,872	-	1,567,872
Restricted for education	2,638,347	-	2,638,347
Restricted for public works	572,701	-	572,701
Restricted for human services	(294,568)	-	(294,568)
Restricted for culture and recreation	33,292	-	33,292
Restricted for community preservation fund	2,610,935	-	2,610,935
Unrestricted	(45,204,964)	965,176	(44,239,788)
Total net position	(703,035)	983,206	(56,750)
Total liabilities, deferred inflows of resources and net position	\$ 99,516,280	\$ 1,146,931	\$ 100,326,290

*The accompanying notes are an integral part of the financial statements*

# Town of Seekonk, Massachusetts

## Statement of Activities

*For the Year Ended June 30, 2024*

Functions/Programs:	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 7,012,755	\$ 3,149,610	\$ 1,736,674	\$ 2,667,248	\$ 540,777	\$ -	\$ 540,777
Public safety	14,244,555	1,015,678	148,730	-	(13,080,147)	-	(13,080,147)
Education	53,564,694	950,708	17,852,934	-	(34,761,052)	-	(34,761,052)
Public works	4,270,860	581,142	665,842	-	(3,023,876)	-	(3,023,876)
Human services	901,810	185,708	21,879	-	(694,224)	-	(694,224)
Conservation	156,650	21,972	41,028	-	(93,649)	-	(93,649)
Culture and recreation	1,580,296	4,425	-	-	(1,575,871)	-	(1,575,871)
Employee benefits	2,591,596	-	-	-	(2,591,596)	-	(2,591,596)
State and county assessments	702,394	-	-	-	(702,394)	-	(702,394)
Interest	796,675	-	-	-	(796,675)	-	(796,675)
Total governmental activities	85,822,284	5,909,243	20,467,087	2,667,248	(56,778,706)	-	(56,778,706)
<b>Business-Type Activities:</b>							
Sanitation	1,342,941	1,583,435	-	-	-	240,494	240,494
Total business-type activities	1,342,941	1,583,435	-	-	-	240,494	240,494
Total primary government	\$ 87,165,225	\$ 7,492,678	\$ 20,467,087	\$ 2,667,248	\$ (56,778,706)	\$ 240,494	\$ (56,538,212)

*The accompanying notes are an integral part of the financial statements*

# Town of Seekonk, Massachusetts

## Statement of Activities For the Year Ended June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Total Town of Seekonk	\$ (56,778,706)	\$ 240,494	\$ (56,538,212)
<b>General revenues:</b>			
Real estate and personal property, net of tax refunds payable	\$ 52,025,959	\$ -	\$ 52,025,959
Tax liens	-	-	-
Motor vehicle and other excise taxes	3,382,564	-	3,382,564
Hotel / motel and meals tax	1,650,376	-	1,650,376
Penalties and interest on taxes	245,612	-	245,612
Unrestricted investment income and market adjustments	515,257	-	515,257
Total general revenues	57,819,768	-	57,819,768
Proceeds from bond premium, net of costs	-	-	-
Transfers in	5,365,038	-	5,365,038
Transfers out	(5,312,876)	(52,162)	(5,365,038)
Total special items and transfers	52,162	(52,162)	-
Total general revenues, special items, and transfers	57,871,930	(52,162)	57,819,768
Changes in net position	1,093,224	188,332	1,281,556
Net position - beginning of year, restated	(1,796,259)	794,874	(1,001,385)
Net position - end of year	\$ (703,035)	\$ 983,206	\$ 280,171

*The accompanying notes are an integral part of the financial statements*

# Town of Seekonk, Massachusetts

## Governmental Funds

### Balance Sheet

*June 30, 2024*

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Non-Major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>Assets</b>			
Cash and short-term investments	\$ 12,592,161	\$ 9,133,883	\$ 21,726,044
Investments	9,974,869	2,873,905	12,848,774
Due from other funds	768,757	-	768,757
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes	492,251	-	492,251
Tax liens and foreclosuers	703,863	-	703,863
Motor vehicle and other excise	270,372	-	270,372
User fees	732,772	-	732,772
Departmental and other	40,182	67,757	107,939
Intergovernmental	-	1,156,799	1,156,799
Special assessments	-	204,008	204,008
Total assets	<u>25,575,227</u>	<u>13,436,352</u>	<u>39,011,579</u>
<b>Deferred outflows of resources</b>			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 25,575,227</u>	<u>\$ 13,436,352</u>	<u>\$ 39,011,579</u>
<b>Liabilities</b>			
Warrants, accounts and accrued expenses payable	\$ 4,616,045	\$ 423,593	\$ 5,039,638
Due from other funds	-	768,757	768,757
Bond anticipation notes payable	-	1,925,000	1,925,000
Total liabilities	<u>4,616,045</u>	<u>3,117,350</u>	<u>7,733,395</u>
<b>Deferred inflows of resources</b>			
Deferred property tax revenues	1,308,453	-	1,308,453
Deferred user fees and fines	732,772	-	732,772
Deferred revenue other	-	242,009	242,009
Total deferred inflows of resources	<u>2,041,225</u>	<u>242,009</u>	<u>2,283,234</u>
<b>Fund balance</b>			
Nonspendable	-	336,921	336,921
Restricted	-	10,163,983	10,163,983
Committed	12,219,384	-	12,219,384
Assigned	956,867	-	956,867
Unassigned	5,741,706	(423,911)	5,317,795
Total fund balance	<u>18,917,957</u>	<u>10,076,993</u>	<u>28,994,950</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 25,575,227</u>	<u>\$ 13,436,352</u>	<u>\$ 39,011,579</u>

*The accompanying notes are an integral part of the financial statements*

**Town of Seekonk, Massachusetts**

Reconciliation of the Governmental Funds Balance Sheet Total

Fund Balances to the Statement of Net Position

*June 30, 2024*

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Total governmental fund balances	\$28,994,950
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	53,335,903
To record deferred outflows and deferred inflows of resources related to pensions and OPEB as required by GASB Statement Nos. 68 and 75 (respectively)	(1,688,866)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,283,234
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(145,948)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds and notes payable	(18,954,774)
Capital leases	(380,104)
Landfill postclosure care costs	(1,161,703)
Compensated absences	(1,658,069)
Net pension liability (NPL)	(38,864,450)
Net OPEB liability (NOL)	<u>(22,463,208)</u>
Net position of governmental activities	<u>\$ (703,035)</u>

*The accompanying notes are an integral part of the financial statements*

# Town of Seekonk, Massachusetts

## Governmental Funds

### Statement of Revenue, Expenditures and Changes in Fund Balance

*For the Year Ended June 30, 2024*

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Non-Major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>Revenues:</b>			
Real estate and personal property taxes, net refunds	\$ 51,800,616	\$ -	\$ 51,800,616
Tax liens	-	-	-
Motor vehicle and other excise	3,398,343	-	3,398,343
Intergovernmental	15,178,478	7,955,857	23,134,335
Hotel / motel and meals tax	1,650,376	-	1,650,376
Penalties and interest on taxes	245,611	-	245,611
Charges for services	391,198	2,292,106	2,683,304
Investment income	515,258	-	515,258
Contributions and donations	-	304,053	304,053
Departmental and other	1,489,723	1,322,009	2,811,732
Total revenue	<u>74,669,603</u>	<u>11,874,025</u>	<u>86,543,628</u>
<b>Expenditures :</b>			
General government	3,891,771	2,534,190	6,425,961
Public safety	11,016,251	360,764	11,377,015
Education	38,841,088	4,842,460	43,683,548
Public works	1,775,532	2,461,428	4,236,960
Human services	602,629	141,652	744,281
Conservation	130,895	1,930	132,825
Culture and recreation	1,135,135	58,269	1,193,404
Employee benefits	11,962,891	-	11,962,891
State and county assessments	702,394	-	702,394
Capital outlay	682,305	-	682,305
Debt service:			
Principal	1,844,417	-	1,844,417
Interest	747,839	-	747,839
Total expenditures	<u>73,333,147</u>	<u>10,400,693</u>	<u>83,733,840</u>
Excess (deficiency) of revenues over expenditures	1,336,456	1,473,332	2,809,788
<b>Other financing sources (uses):</b>			
Transfers in	4,476,032	889,006	5,365,038
Transfers out	<u>(4,003,459)</u>	<u>(1,309,417)</u>	<u>(5,312,876)</u>
Other financing sources (uses)	<u>472,573</u>	<u>(420,411)</u>	<u>52,162</u>
Excess of revenue and other sources over expenditures and other uses	1,809,029	1,052,921	2,861,950
Fund balance - beginning	<u>17,108,928</u>	<u>9,024,072</u>	<u>26,133,000</u>
Fund balance - ending	<u>\$ 18,917,957</u>	<u>\$ 10,076,993</u>	<u>\$ 28,994,950</u>

*The accompanying notes are an integral part of the financial statements*

## Town of Seekonk, Massachusetts

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Funds Balances of Governmental Funds to the Statement of Activities *For the Year Ended June 30, 2024*

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Net change in fund balances - total governmental funds	\$ 2,861,950
To record allowance for doubtful accounts that are resources for the governmental funds. This amount represent the net change in the allowance.	319,718
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. This is the amount by which capital outlays exceeded depreciation in the current period.	(1,078,581)
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,630,569
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.	(48,836)
The other postemployment benefit expense reported in the statement of activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds (GASB Statement No. 75)	5,642,932
To record the change in deferred outflows and deferred inflows of resources related to other postemployment benefits	(4,362,853)
The pension expense required by GASB Statement No. 68, reported in the statement of activities, requires the use of current financial resources and is not reported as an expenditure in the governmental funds	(2,516,841)
To record the change in deferred outflows and deferred inflows of resources related to pensions	(1,289,114)
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds	<u>65,720</u>
Change in net position of governmental activities	<u>\$ 1,224,664</u>

*The accompanying notes are an integral part of the financial statements*

# Town of Seekonk, Massachusetts

## Proprietary Fund

### Statement of Net Position

*June 30, 2024*

	<b>Business-Type Activities - Proprietary Funds</b>
	<b>Sanitation Enterprise</b>
<b>Assets</b>	
Current assets	
Cash and short-term investments	\$ 1,026,780
Receivables, net	
User fees	73,546
Total current assets	1,100,326
Non-current assets	
Capital assets, net	18,030
Total non-current assets:	18,030
Total assets	1,118,356
<b>Deferred Outflows of Resources</b>	
Pension related	28,575
Total deferred outflows of resources	28,575
Total assets and deferred outflows of resources	\$ 1,146,931
<b>Liabilities</b>	
Current liabilities	
Accounts payable and accrued liabilities	22,973
Total current liabilities	22,973
Non-current liability	
Net pension liability (NPL)	140,418
Total non-current liabilities	140,418
Total liabilities	163,391
<b>Deferred Inflows of Resources</b>	
Pension related	334
Total deferred inflows of resources	334
<b>Net Position</b>	
Net investment in capital assets	18,030
Unrestricted	965,176
Total net position	983,206
Total liabilities, deferred inflows of resources and net position	\$ 1,146,931

*The accompanying notes are an integral part of the financial statements*

**Town of Seekonk, Massachusetts**

Proprietary Fund

Statement of Revenue, Expenses and Changes in Net Position

*For the Year Ended June 30, 2024*

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	<b>Business-Type Activities - Proprietary Funds</b>
	<b>Sanitation Enterprise</b>
<b>Operating Revenues</b>	
Charges for services	\$ 1,583,435
Total operating revenues	<u>1,583,435</u>
<b>Operating Expenses</b>	
General services	1,338,434
Depreciation	<u>4,507</u>
Total operating expenses	<u>1,342,941</u>
Operating income (loss)	<u>240,494</u>
Income (loss) before transfers	<u>240,494</u>
<b>Transfers</b>	
Transfers out - operating	<u>(52,162)</u>
Total transfers	<u>(52,162)</u>
Change in net position	188,332
Total net position - beginning	<u>794,874</u>
Total net position - ending	<u>\$ 983,206</u>

*The accompanying notes are an integral part of the financial statements*

**Town of Seekonk, Massachusetts**

Proprietary Fund

Statement of Cash Flows

*For the Year Ended June 30, 2024*

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	<b>Business-Type Activities - Proprietary Funds</b>
	<b>Sanitation Enterprise</b>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 1,584,164
Payments to suppliers and employees	(1,333,327)
Net cash provided (used) by operating activities	250,837
<b>Cash flows from noncapital financing activities:</b>	
Transfers in (out)	(52,162)
Net cash provided by noncapital financing activities	(52,162)
<b>Cash flows from capital and related financing activities:</b>	
Purchases and construction of capital assets	-
Net cash used by capital and related financing activities	-
<b>Cash flows from investing activities:</b>	
Interest and dividends	-
Net cash used by investing activities	-
Net increase in cash and cash equivalents	198,675
Cash, beginning	828,105
Cash, ending	\$ 1,026,780
Displayed as	
Cash and short-term investments	\$ 1,026,780

*The accompanying notes are an integral part of the financial statements*

**Town of Seekonk, Massachusetts**

Proprietary Fund

Statement of Cash Flows

*For the Year Ended June 30, 2024*

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	<b>Business-Type Activities - Proprietary Funds</b>
	<b>Sanitation Enterprise</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>	
Operating income (loss)	\$ 240,494
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	4,507
Change in assets and liabilities	
(Increase) decrease in user charges receivables, net	729
(Increase) decrease in deferred outflows	11,162
Increase (decrease) accounts payable and accrued expense	9,635
Increase (decrease) in net pension liability (NPL)	(15,457)
Increase (decrease) in deferred inflows	(233)
Net cash provided (used) by operating activities	<u>\$ 250,837</u>

*The accompanying notes are an integral part of the financial statements*

# Town of Seekonk, Massachusetts

## Fiduciary Funds

### Statement of Fiduciary Net Position

*June 30, 2024*

	<b>Private Purpose Trust Funds</b>	<b>Other Postemployment Benefits Trust</b>	<b>Custodial Funds</b>
<b>Assets</b>			
Cash and Short-Term Investments	\$ -	\$ 29,138	\$ 295,307
Investments	211,849	5,824,110	-
Receivables:			
Departmental and Other	-	-	87,277
Total assets	211,849	5,853,248	382,584
<b>Deferred outflows of resources</b>			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 211,849	\$ 5,853,248	\$ 382,584
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Total liabilities	-	-	-
<b>Deferred inflows of resources</b>			
None	-	-	-
Total deferred inflows of resources	-	-	-
<b>Net Position</b>			
Restricted - scholarships and awards	211,849	-	-
Restricted - custodial	-	-	382,584
Restricted - OPEB trust	-	5,853,248	-
Total net position	211,849	5,853,248	382,584
Total liabilities, deferred inflows of resources and net position	\$ 211,849	\$ 5,853,248	\$ 382,584

*The accompanying notes are an integral part of the financial statements*

# Town of Seekonk, Massachusetts

## Fiduciary Funds

### Statement of Changes in Fiduciary Net Position

*For the Year Ended June 30, 2024*

	<b>Private Purpose Trust Funds</b>	<b>Other Postemployment Benefits Trust</b>	<b>Custodial Funds</b>
<b>Additions</b>			
Contributions:			
Employer contributions	\$ -	\$ -	\$ -
Other	9,090	676,544	1,445,009
Total contributions	9,090	676,544	1,445,009
Net investment income:			
Dividends and interest	5,576	200,978	-
Net appreciation in fair value of investments	6,802	434,631	-
Total investment income	12,378	635,609	-
Less: investment expense	-	-	-
Net investment income	12,378	635,609	-
Total additions	21,468	1,312,153	1,445,009
<b>Deductions</b>			
Administrative expenses	-	-	-
Scholarship expenses	10,600	-	-
Funds distributed on behalf of others	-	-	1,436,771
Total deductions	10,600	-	1,436,771
Change in net position	10,868	1,312,153	8,238
Net position - beginning	200,981	4,541,095	374,346
Net position - ending	\$ 211,849	\$ 5,853,248	\$ 382,584

*The accompanying notes are an integral part of the financial statements*

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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

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

##### A. Reporting Entity

###### *Primary Government*

The Town is a municipal corporation that is governed by a five member Board of Selectmen (the Board). The Board is responsible for appointing a Town Administrator whose responsibility is to manage the day to day operations. For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units, blended or discretely presented, for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations and discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. It has been determined that there are no component units (blended or discretely presented) for inclusion in the primary government's financial reporting entity.

###### *Joint Venture*

Municipal joint ventures pool resources to share the costs, risks and rewards of providing services to their participants, the general public or others. The Town is a participant in the following joint venture:

Name	Purpose	Address	Annual Assessment
Tri-County Regional Vocational-Technical School	To provide vocational education services for grades 9-12	147 Pond Street Franklin, MA 02038	\$ 1,553,323

The Tri-County Regional Vocational Technical School District (the District) is governed by a fourteen (14) member school committee consisting of one (1) elected representative from each participating municipality. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

###### *Government-Wide Financial Statements*

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

###### *Fund Financial Statements*

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

###### *Major Fund Criteria*

A fund is considered major if it is the primary operating fund of the Town or it meets the following criteria:

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

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

Fiduciary funds are reported by fund type.

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

###### *Government-Wide Financial Statements*

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

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

##### *Fund Financial Statements*

##### ***Governmental Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred (except for interest on general long-term debt, which is recognized when due) and the non current portion of compensated absences, capital leases, landfill post closure care costs, net pension liability, and postemployment benefits which are recognized when the obligations are expected to be liquidated with current expendable available resources.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Town considers property taxes as available if they are due *and collected* within 60 days after fiscal year-end. Licenses and permits, user charges, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received. Investment earnings are recorded as earned.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town reports the following major governmental funds:

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

The town's non-major governmental funds are comprised of:

- The *Nonmajor governmental funds* consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements. The following describes the general use of these fund types:
- The *Special Revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent funds or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.
- The *Capital Projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise and trust funds).
- The *Permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

##### ***Proprietary Fund Financial Statements***

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

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

The following nonmajor proprietary fund is reported:

- The *Sanitation Enterprise fund* is used to account for the operations of the trash collection activities.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

###### *Fiduciary Fund Financial Statements*

*Fiduciary fund* financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held by the Town in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

- The *Private-Purpose Trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund (nonmajor governmental funds), under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *Other Postemployment Benefits Trust fund* is used to account for assets held that will fund the long term liability associated with the Towns retirees health benefits.
- The *Custodial fund* is used to account for assets held in a purely custodial capacity.

##### D. Cash and Investments

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

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

##### E. Fair Value Measurements

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

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

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

## **Town of Seekonk, Massachusetts**

### **Notes to Financial Statements** *For the Year Ended June 30, 2024*

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **E. Fair Value Measurements (Continued)**

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see the note titled "Fair Market Value of Investments".

##### **F. Accounts Receivable**

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

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

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

Real estate and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent 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. By law, all taxable property in the Commonwealth must be assessed at 100% of fair market value. Once levied, which is required to be at least 30 days prior to the due date, these taxes are recorded as receivables in the fiscal year of levy. Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Lining of properties on which taxes remain unpaid occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation statute known as "Proposition 2 ½" limits the amount of increase in 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 ½ % of the prior year's levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2 ½ can be overridden by a Town-wide referendum.

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

Personal property taxes cannot be secured through the lien process. Any allowance of uncollectible is estimated based on historical trends and specific account analysis.

## **Town of Seekonk, Massachusetts**

### **Notes to Financial Statements** *For the Year Ended June 30, 2024*

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **F. Accounts Receivable (Continued)**

###### *Motor Vehicle Excise*

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

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

###### *Departmental and Other*

Departmental and other receivables consist primarily of ambulance receivables which are recorded as receivables in the fiscal year accrued. The allowance for uncollectible is estimated based on historical trends and specific account analysis.

###### *Special Assessments*

Governmental activities special assessments consist primarily of Title V receivables which are recorded as receivables in the fiscal year accrued. Since the receivables are secured via the lien process, these assets are considered 100% collectable and therefore do not report an allowance for uncollectible.

###### *Intergovernmental*

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

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

##### **G. Inventories**

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

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

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### H. Capital Assets

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

Capital assets, which include land, vehicles, buildings and improvements, capital improvements, machinery and equipment, infrastructure (roadways and similar items), and construction in progress are reported in the applicable governmental or business-type activities column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets if material.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of five years or greater.

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

Asset Class	Estimated Useful Life (in years)
Buildings and Improvements	10-40
Capital Improvements (other than buildings)	10-20
Machinery and Equipment	5-15
Vehicles	5-15
Infrastructure	40

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

###### *Governmental Fund Financial Statements*

Capital asset costs are recorded as expenditures in the fiscal year of purchase for the various funds.

##### I. Leases and Subscription-Based Information Technology Arrangements (SBITA)

A lease is a contract that conveys the control of the right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction. The Town has contracts in which it is the lessee. Lessees recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease discount rate cannot be readily determined from the lease, the Town uses its incremental borrowing rate. Right to use lease asset are amortized over the contract term of the lease. Leases that do not meet the capitalization criteria will be recognized as current period revenues and expenses.

## **Town of Seekonk, Massachusetts**

### **Notes to Financial Statements** *For the Year Ended June 30, 2024*

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **I. Leases and Subscription-Based Information Technology Arrangements (SBITA) (Continued)**

A SBITA is defined as a contract that conveys controls of the right to use another party's information technology software, alone or in conjunction with tangible capital assets, as specified in the contract for a period in an exchange or exchange-like transactions.

The subscription term includes the period in which the municipality has a noncancellable right to use IT assets. The subscription also includes the periods covered by an option to extend or to terminate the contract. The Town would recognize a right-to-use subscription-based asset as an intangible asset with a corresponding subscription-based liability. The liability should be initially measured at the present value of the payments expected to be made during the term. Future payment should be discounted using the interest rate the Software vendor charges of the government's incremental borrowing rate.

##### **J. Interfund Receivables and Payables & Interfund Transfers**

###### *Interfund Receivables and Payables*

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

###### *Government-Wide Financial Statements*

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

###### *Fund Financial Statements*

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

###### *Interfund Transfers*

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

###### *Government-Wide Financial Statements*

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

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### *Fund Financial Statements*

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

#### **K. Deferred Outflows/Inflows of Resources**

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

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

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

##### *Governmental Funds Financial Statements*

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

#### **L. Net Position and Fund Equity**

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

Net position is classified into three components:

- a) *Net investment in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### L. Net Position and Fund Equity (Continued)

Net position have been “restricted” for the following:

- *Permanent funds - expendable* represents amounts held in trust for which the expenditures are restricted by various trust agreements.
  - *Permanent funds - nonexpendable* represents amounts held in trust for which only investment earnings may be expended.
  - *Other specific purposes* represent restrictions placed on assets from outside parties.
- c) *Unrestricted net position* – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

The Town uses the following criteria for fund balance classification:

- For *nonspendable* fund balance: includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- For *restricted* fund balance: when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- For *committed* fund balance: (1) the government’s highest level of decision-making authority and (2) the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment.
- For *assigned* fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which the authorization is given.
- For *unassigned* fund balance: is the residual classification for the general fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Town uses the following criteria for fund balance policies and procedures:

- When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the unrestricted amount will be considered to have been spent.
- When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the least restricted amount will be considered to have been spent.

## **Town of Seekonk, Massachusetts**

### **Notes to Financial Statements** *For the Year Ended June 30, 2024*

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **M. Long-Term Debt**

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

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The proprietary fund has no long-term debt outstanding as of June 30, 2024.

###### *Governmental Fund Financial Statements*

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

##### **N. Investment Income**

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

##### **O. Compensated Absences**

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay.

###### *Government-Wide Financial Statements*

The total amount to be paid in future years is presented in the governmental activities column of the government-wide statement of net position. The liability for vacation leave is based on the amount earned but not used; for sick leave, it is based on the amount accumulated at the balance sheet date (vesting method).

###### *Governmental Fund Financial Statements*

The portion of the liability related to unused sick and vacation time that has matured or is due as of June 30, 2024 is recorded in the governmental fund financial statements.

## **Town of Seekonk, Massachusetts**

### **Notes to Financial Statements** *For the Year Ended June 30, 2024*

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **P. Pensions**

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

##### **Q. Post Retirement Benefits**

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

In addition to providing pension benefits, health and life insurance coverage is provided for retired employees and their survivors in accordance with, Chapter 32B, of Massachusetts General Laws, under various contributory plans. The cost of providing health and life insurance is recognized by recording the employer's 50% share of insurance premiums in the general fund in the fiscal year paid. All benefits are provided through third-party insurance carriers and health maintenance organizations that administer, assume, and pay all claims.

##### **R. Use of Estimates**

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

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could vary from estimates that were used.

##### **S. Total Column**

###### *Government-Wide Financial Statements*

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

###### *Fund Financial Statements*

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

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgetary Basis of Accounting

Pursuant to Chapter 44, Section 32 of the Massachusetts General Laws, the Town adopts an annual budget for the general fund as well as for those special revenue funds for which the provisions of Chapter 44, Section 53F ½ have been adopted. The budgets for all departments and operations of the Town, except that of the public schools, are prepared under the direction of the Town Administrator. The School Department budget is prepared under the direction of the School Committee. The level of expenditures may not legally exceed appropriations for each department or undertaking in the following categories: (1) salaries and wages; (2) ordinary maintenance; and (3) capital outlays.

The majority of appropriations are non-continuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year. The carryover articles and encumbrances were not included as part of the subsequent fiscal year's original budget.

Original and supplemental appropriations are enacted upon by a Town Meeting vote. Management may not amend the budget without seeking the approval of the governing body. The Town's Finance Committee can legally transfer funds from its reserve fund to other appropriations within the budget without seeking Town Meeting approvals. The original fiscal year 2024 approved budget authorized \$67,135,609 in current year appropriations and other amounts to be raised. Supplemental appropriations of \$483,115 were approved at Special Town Meeting for fiscal year 2024. The Finance Director has the responsibility to ensure that budgetary controls are maintained and monitored through the accounting system.

#### B. Deficit Fund Balances

Individual fund deficits exist within the special revenue funds. These individual deficits will be eliminated through subsequent fiscal year budget transfers and grants during the subsequent fiscal year. The deficit in the capital project will be eliminated through proceeds from long-term debt.

<b>Special Revenue</b>	
<b>Town Grants:</b>	
Chapter 90	\$ 34,220
Highway Safety Bureau	39
SAFE Grant (Fire)	225
Sr SAFE Grant (Fire)	550
Bullet Proof Vest	16,317
	<u>51,351</u>
<b>Reserve for Appropriations:</b>	
Legal Ads-Zoning Board of Review	1205
Sale of Cemetery Lots	2215
	<u>3420</u>
<b>Local Grants:</b>	
Seekonk Land Conservation	500
	<u>500</u>
<b>School Grants:</b>	
School Grants-various	3,188
IEP FC 0274	720
Title I	24,107
Title II	19,375
	<u>47,390</u>
<b>Total Special Revenue</b>	<u>\$ 102,661</u>
<b>Capital Project</b>	
South End Fire Station	<u>\$ (321,250)</u>
<b>Total</b>	<u>\$ (273,860)</u>

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 3 – DEPOSITS AND INVESTMENTS

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels unless collateralized by the financial institutions involved.

##### *Deposits*

- *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. Massachusetts General Law Chapter 44, Section 55, limits the deposits "in a bank or trust company, or banking company to an amount not exceeding sixty percent (60%) of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." The Town does not have a formal deposit policy for custodial credit risk. The Town carries deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC) and the Depositor's Insurance Fund (DIF). The Town also carries deposits that are uninsured, uncollateralized, or collateral held by the pledging banks trust department not in the Town's name.

The following table illustrates how much of the Town's bank deposits are insured, and how much of the Town's bank deposits are uninsured, uncollateralized, or collateral held by the pledging banks trust department not in the Town's name as of June 30, 2024:

Total bank balances		<u>\$ 42,964,964</u>
Bank balances covered by deposit insurance		
Depositor's Insurance Fund (DIF)	-	
Intrafi	10,432,804	
Federal Deposit Insurance Corporation (FDIC)	<u>1,613,703</u>	
Total bank balances covered by deposit insurance		12,046,507
Balances subject to custodial credit risk		
Bank balances collateralized with securities held by the pledging financial institution's trust department or agent not in the Town's name	-	
Bank balances uninsured & uncollateralized	<u>30,918,457</u>	
Total bank balances subject to custodial credit risk		<u>30,918,457</u>
Total bank balances		<u>\$ 42,964,964</u>

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

#### NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

The Town's book balance as of June 30, 2024 includes the following:

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Governmental Activities	\$ 21,726,044	\$ 12,848,774	\$ 34,574,818
Proprietary Activities	1,026,780	-	1,026,780
Private Purpose Trust Funds	-	211,849	211,849
OPEB Trust Funds	29,138	5,824,110	5,853,248
Custodial Funds	295,307	-	295,307
Total Book Balance	<u>\$ 23,077,269</u>	<u>\$ 18,884,733</u>	<u>\$ 41,962,002</u>

#### *Investments*

Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreement guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase, and units in the Massachusetts Municipal Depository Trust (MMDT). The Treasurer of the Commonwealth of Massachusetts oversees the financial management of the MMDT, a local investment pool for cities, towns, and other state and local agencies within the Commonwealth. The Town's fair value of its investment in MMDT represents their value of the pool's shares. The Town's Trust Funds have expanded investment powers including the ability to invest in equity securities, corporate bonds, annuities and other specified investments.

The composition of the Town's bank recorded deposits and investments fluctuates depending primarily on the timing of property tax receipts, proceeds from borrowings, collections of state and federal aid, and capital outlays throughout the year.

#### *a) Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Law Chapter 44, Section 55, limits the Town's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

#### *b) Custodial Credit Risk*

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in possession of an outside party. The Town has no custodial credit risk exposure related to the U.S. Government and Agency Securities, corporate bonds, or the common stock because the related securities are registered in the name of the Town. The mutual fund investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The certificates of deposit are not exposed to custodial credit risk as they are fully insured by the FDIC and DIF.

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

The Town does not have an investment policy for custodial credit risk.

#### c) *Interest Rate Risk*

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

Presented below is the actual rating as of year-end for each investment type of the Town.

Investment Type	Fair Value	S&P Rating									Not Rated
		AAA	AA	A	BBB	BB	B	CCC	CC	D	
Corporate Bonds											
Merck & Co	669,550	-	-	669,550	-	-	-	-	-	-	-
Union Pac Corp	671,373	-	-	671,373	-	-	-	-	-	-	-
HP Inc.	667,430	-	-	-	667,430	-	-	-	-	-	-
Duke Energy Corp	612,574	-	-	-	612,574	-	-	-	-	-	-
Johnson & Johnson	612,504	612,504	-	-	-	-	-	-	-	-	-
Bank America Corp	613,911	-	-	613,911	-	-	-	-	-	-	-
Emerson Elec Co	603,177	-	-	603,177	-	-	-	-	-	-	-
Pfizer Inc	607,135	-	-	607,135	-	-	-	-	-	-	-
Bristol-Myers Squibb Co	592,148	-	-	592,148	-	-	-	-	-	-	-
Verizon Communications Inc	499,125	-	-	-	499,125	-	-	-	-	-	-
GA Power Co	199,772	-	-	-	-	-	-	-	-	-	199,772
McDonald's Corp	162,515	-	-	-	162,515	-	-	-	-	-	-
U.S. Treasury Bonds/Notes											
United States Treasury Series Y-2027 2.75%	761,127	-	761,127	-	-	-	-	-	-	-	-
United States Treasury Note 2.25%	751,165	-	751,165	-	-	-	-	-	-	-	-
United States Treasury Note 1.625%	700,208	-	700,208	-	-	-	-	-	-	-	-
United States Treasury Series Z-2025 .25%	683,854	-	683,854	-	-	-	-	-	-	-	-
United States Treasury Series Au-2024 .75%	683,901	-	683,901	-	-	-	-	-	-	-	-
United States Treasury Series F-2025 2.25%	677,003	-	677,003	-	-	-	-	-	-	-	-
U.S. Government/Agency Securities											
Federal National Mtg Assn FNMA	166,632	-	166,632	-	-	-	-	-	-	-	-
Federal Home Ln Mtg Corp	157,210	-	157,210	-	-	-	-	-	-	-	-
Federal Home Loan Ba Ser Ts-2028	151,214	-	151,214	-	-	-	-	-	-	-	-
Total Debt Securities	11,243,528	612,504	4,732,314	3,757,294	1,941,644	-	-	-	-	-	199,772
Other Investments (not rated):											
Equities	\$ 4,380,164										
Common stock	1,562,276										
Mutual Funds	114,387										
Money Market	140,432										
Fixed Income	1,443,946										
Total Investments	\$18,884,733										

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

Investment Type	Fair Value	Remaining Maturity (in years)			
		0-1 Years	1-2 Years	2-5+ Years	5-10 years
Governmental Activities					
Debt Securities					
U.S. Government & Agency	\$ 475,056	\$ 166,632	\$ 157,210	\$ 151,214	\$ -
Corporate Bonds	6,511,214	1,530,962	612,574	4,367,678	-
U.S. Treasury Bonds	4,257,258	1,367,755	1,377,211	1,512,292	-
International Bonds	-	-	-	-	-
Fixed Income	(211,849)	(211,849)	-	-	-
Allocated to Private Purpose Trust Funds					
Total Debt Securities	11,031,679	2,853,500	2,146,995	6,031,184	-
Other Investments					
Common Stock	1,562,276	1,562,276	-	-	-
Mututal Funds	114,387	114,387	-	-	-
Money Market	140,432	140,432	-	-	-
	1,817,095	1,817,095	-	-	-
Total Governmental Activities	\$12,848,774	\$4,670,595	\$2,146,995	\$6,031,184	\$ -
Fiduciary Fund - OPEB Trust					
Other Investments					
Mutual Funds - Fixed Income Securities	\$ 1,443,948	\$1,443,948	\$ -	\$ -	\$ -
Mutual Funds - Equities	4,380,164	4,380,164	-	-	-
	5,824,112	5,824,112	-	-	-
Fiduciary Fund - Private Purpose Trust Fund					
Other Investments					
Allocated from Governmental Activities	211,849	211,849	-	-	-
Total Fiduciary Funds	\$ 6,035,961	\$6,035,961	\$ -	\$ -	\$ -

#### d) Concentration of Credit Risk

The Town places no limit on the amount the government may invest in any one issuer. There were no Town investments more than 5% as of June 30, 2024.

#### Fair Market Value of Investments

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

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

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

The Town has the following recurring fair value measurement as of June 30, 2024.

Investment Type	June 30, 2024	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Governmental Activities				
Debt Securities				
U.S. Government and Agency	\$ 475,056	\$ 475,056	\$ -	\$ -
Certificate of Deposits	-	-	-	-
Corporate Bonds	6,511,214	-	6,511,214	-
Treasury Bond	4,257,258	-	4,257,258	-
Fixed Income	(211,849)	-	(211,849)	-
Total debt securities	11,031,679	475,056	10,556,623	-
Other Investments				
Money Market	140,432	-	-	-
Mutual Funds	114,387	-	114,387	-
Common Stock	1,562,276	1,562,276	-	-
Total other investments	1,817,095	1,562,276	-	-
Total Investments (Governmental Activities)	\$ 12,848,774	\$ 2,037,332	\$ 10,556,623	\$ -
Fiduciary Fund - OPEB				
Money Market	-	-	-	-
Mutual Funds - Fixed Income Securities	1,443,948	-	1,443,948	-
Mutual Funds - Equities	4,380,164	4,380,164	-	-
	5,824,112	4,380,164	1,443,948	-
Fiduciary Fund - Private Purpose Trust Fund				
Money Market	211,849	211,849	-	-
Total Investments (Fiduciary Funds)	\$ 6,035,961	\$ 4,592,013	\$ 1,443,948	\$ -
Total investments measured at fair value	\$ 18,884,735	\$ 6,629,345	\$ 12,000,571	\$ -

U.S. Government and Agency, Common Stock, Certificates of Deposit and mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds and fixed income mutual funds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

Massachusetts Municipal Depository Trust (MMDT) investments are valued at amortized cost. Under the amortized cost method an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 4 – RECEIVABLES

The receivables at June 30, 2024 for the Town’s governmental activities and business-type activities, including the applicable allowances for uncollectible accounts, are as follows:

Receivables	Gross Amount	Allowance for Uncollectibles	Net Amount
Real Estate and Personal Property Taxes	\$ 492,251	\$ -	\$ 492,251
Tax Liens	703,863	-	703,863
Motor Vehicle and Other Excise Taxes	270,372	-	270,372
User Fees	732,772	-	732,772
Departmental and Other	107,939	-	107,939
Intergovernmental	1,156,799	-	1,156,799
Special Assessments	204,008	-	204,008
 Total Governmental Activities	 <u>\$ 3,668,004</u>	 <u>\$ -</u>	 <u>\$ 3,668,004</u>

Receivables	Gross Amount	Allowance for Uncollectibles	Net Amount
<i>Sanitation</i>			
User Fees	\$ 73,546	\$ -	\$ 73,546
 Total Business-Type Activities	 <u>\$ 73,546</u>	 <u>\$ -</u>	 <u>\$ 73,546</u>

### NOTE 5 – INTERFUND TRANSACTIONS

Operating transfers between funds for the year ended June 30, 2024 were as follows:

	Due from Other Funds	Due to Other Funds	Financing Sources	Financing Uses
<b><u>Major Governmental Funds</u></b>				
General Fund	\$ 768,757	\$ -	\$2,155,524	\$3,886,059
Stabilization Funds	-	-	2,320,508	117,400
 <b><u>Non-Major Governmental Funds</u></b>				
Non-Major Governmental Funds	-	768,757	889,006	1,309,417
 <b><u>Proprietary Funds</u></b>				
Sanitation	-	-	-	52,162
 Totals	 <u>\$ 768,757</u>	 <u>\$768,757</u>	 <u>\$5,365,038</u>	 <u>\$5,365,038</u>

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

<b>Government Activities</b>	<b>Beginning Balance 6/30/2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 6/30/2024</b>
Capital assets not being depreciated				
Land & easements	\$ 5,037,257	\$ -	\$ -	\$ 5,037,257
Construction & infrastructure in progress	-	-	-	-
Total capital assets not being depreciated	<u>5,037,257</u>	<u>-</u>	<u>-</u>	<u>5,037,257</u>
Capital assets being depreciated				
Buildings and improvements	79,731,163	524,656	-	80,255,819
Capital improvements (other than buildings)	4,064,123	29,720	-	4,093,843
Machinery and equipment	9,698,821	119,794	-	9,818,615
Vehicles	12,118,823	1,404,146	-	13,522,969
Technology	107,133	9,012	-	116,145
Infrastructure	24,426,755	683,300	-	25,110,055
Total capital assets, being depreciated	<u>130,146,817</u>	<u>2,770,628</u>	<u>-</u>	<u>132,917,446</u>
Amortized assets				
Right to use				
Leased vehicles	<u>1,094,117</u>	<u>189,316</u>	<u>-</u>	<u>1,283,433</u>
Total amortized asset	<u>1,094,117</u>	<u>189,316</u>	<u>-</u>	<u>1,283,433</u>
Accumulated depreciation				
Buildings and improvements	42,674,981	1,931,949	-	44,606,930
Capital improvements (other than buildings)	2,557,598	156,481	-	2,714,079
Machinery and equipment	6,425,981	629,720	-	7,055,701
Vehicles	10,495,079	669,087	-	11,164,165
Technology	65,808	2,253	-	68,061
Infrastructure	19,146,881	488,608	-	19,635,489
Total accumulated depreciation	<u>81,366,327</u>	<u>3,878,098</u>	<u>-</u>	<u>85,244,425</u>
Accumulated amortization				
Leased vehicles	<u>497,379</u>	<u>160,429</u>	<u>-</u>	<u>657,808</u>
Total accumulated Amortization	<u>497,379</u>	<u>160,429</u>	<u>-</u>	<u>657,808</u>
Total capital assets being depreciated, net	<u>48,780,490</u>	<u>(1,107,470)</u>	<u>-</u>	<u>47,673,020</u>
Total leased assets being amortized, net	<u>596,738</u>	<u>28,887</u>	<u>-</u>	<u>625,624</u>
Governmental activites capital assets, net	<u>\$ 54,414,485</u>	<u>\$ (1,078,583)</u>	<u>\$ -</u>	<u>\$ 53,335,902</u>

**Town of Seekonk, Massachusetts**

Notes to Financial Statements  
*For the Year Ended June 30, 2024*

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**NOTE 6 – CAPITAL ASSETS (CONTINUED)**

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

<b>Governmental Activities</b>	
General government	\$ 235,241
Public safety	1,076,875
Education	1,797,879
Public works	348,787
Infrastructure	488,608
Health and human services	4,162
Culture and recreation	<u>86,976</u>
 Total governmental activities depreciation and amortization expense	 <u>\$ 4,038,527</u>

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 6 – CAPITAL ASSETS (CONTINUED)

<b>Business-Type Activities</b>	<b>Beginning Balance 6/30/2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 6/30/2024</b>
Capital assets not being depreciated:				
Land & easements	\$ -	\$ -	\$ -	\$ -
Construction & infrastructure in progress	-	-	-	-
Total capital assets not being depreciated:	-	-	-	-
Capital assets being depreciated:				
Vehicles	540,334	-	-	540,334
Total capital assets, being depreciated:	540,334	-	-	540,334
Accumulated depreciation:				
Vehicles	517,797	4,507	-	522,304
Total accumulated depreciation:	517,797	4,507	-	522,304
Total capital assets being depreciated, net	22,537	(4,507)	-	18,030
Business-type activities capital assets, net	\$ 22,537	\$ (4,507)	\$ -	\$ 18,030

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 7 – CAPITAL LEASES

The Town has entered into lease agreements as lessee for financing the acquisition of police vehicles, dump trucks, fire trucks, an ambulance, pickup trucks, a compact loader, front end loader, a fire rescue pumper truck and police vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2024, are as follows:

	Year Ending June 30	Governmental Activities
	2025	\$ 311,620
	2026	<u>68,484</u>
Total minimum lease payments		380,104
Less: amounts representing interest		<u>29,978</u>
Total principal portion due:		<u>\$ 350,126</u>

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 8 – SHORT-TERM FINANCING

Under state law, and with the appropriate authorization, the Town is authorized to borrow funds on a temporary basis as follows:

- To fund current operations prior to the collection of revenues by issuing revenue anticipation notes (RANS).
- To fund grants prior to reimbursement by issuing grant anticipation notes (GANS).
- To fund Capital project costs incurred prior to selling permanent debt by issuing bond anticipation notes (BANS).
- To fund current project costs and other approved expenditures incurred, that are anticipated to be reimbursed by the Commonwealth, through the issuance of State Aid anticipation notes (SAANS).

Short-term loans are general obligations of the Town and maturity dates are governed by statute. Interest expenses for short-term borrowings are accounted for in the general fund.

The following is a summary of changes in short-term debt for the year ended June 30, 2024:

Type	Purpose	Rate (%)	Due Date	Beginning Balance	Renewed/ Issued	Retired/ Redeemed	Ending Balance
BAN	Municipal Purpose Loan	4.47	5/23/2024	1,175,000	-	1,175,000	-
BAN	Municipal Purpose Loan	4.75	5/23/2025	-	1,925,000	-	1,925,000
Total Short-Term Debt				<u>\$ 1,175,000</u>	<u>\$ 1,925,000</u>	<u>\$ 1,175,000</u>	<u>\$ 1,925,000</u>

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 9 – LONG-TERM DEBT

The Town is subject to a dual-level, general debt limit: the normal debt limit and the double debt limit. Such limits are equal to 5% and 10%, respectively, of the valuation of taxable property in the Town as last equalized by the Commonwealth's Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit however require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general long-term debt which are exempt from the debt limit but are subject to other limitations.

The following is a summary of the changes in long-term debt for the year ended June 30, 2024:

### Bonds and Notes Payable Schedule – Governmental Funds (Acquired through Public Sale)

Project	Interest Rate (%)	Outstanding Balance July 1, 2023	Increases	Decreases	Refunding	Outstanding Balance June 30, 2024	Balance Due in 2025
MWPAT Sewer Loan	Var.	\$ 9,417	\$ -	\$ 9,417	\$ -	\$ -	\$ -
Landfill	2.00%	529,774	-	83,940	-	445,834	85,636
Banna Fire Remodeling	2.31%	600,000	-	100,000	-	500,000	100,000
Senior Center	1.96%	2,005,000	-	145,000	-	1,860,000	145,000
Police & Fire Facility	2.00%	630,000	-	320,000	-	310,000	310,000
Police Radios Feb 2018	5.00%	665,000	-	170,000	-	495,000	165,000
Police Radios Feb 2019	5.00%	825,000	-	165,000	-	660,000	165,000
Animal Shelter	Var.	625,000	-	75,000	-	550,000	80,000
Aitken School	Var.	11,080,000	-	590,000	-	10,490,000	590,000
GOB Municipal Purpose Loan 2023 Bonds	5.00%	3,830,000	-	270,000	-	3,560,000	270,000
Total Direct Borrowing		<u>\$ 20,799,191</u>	<u>\$ -</u>	<u>\$ 1,928,357</u>	<u>\$ -</u>	<u>\$ 18,870,834</u>	<u>\$ 1,910,636</u>

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

#### NOTE 9 – LONG-TERM DEBT (Continued)

The annual debt service requirements for principal and interest for Governmental bonds and notes outstanding at June 30, 2024 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	1,910,636	636,420	2,547,056
2026	1,607,366	562,065	2,169,432
2027	1,614,131	490,525	2,104,657
2028	1,450,932	422,825	1,873,757
2029	1,292,769	363,838	1,656,607
2030-2034	5,075,000	1,155,690	6,230,690
2035-2039	4,205,000	409,790	4,614,790
2040-2042	1,715,000	51,350	1,766,350
Total	<u>\$ 18,870,834</u>	<u>\$ 4,092,503</u>	<u>\$ 22,963,338</u>

#### Loans Authorized and Unissued

As of June 30, 2024, the Town has loans authorized and unissued as follows:

<u>Description</u>	<u>Date of Vote</u>	<u>Amount Authorized &amp; Unissued</u>	<u>Issued, Retired, Recinded</u>	<u>Unissued</u>
DPW Facility	6/7/2021	\$ 750,000	\$ 750,000	\$ -
Total Authorized and Unissued Debt		<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ -</u>

Events of default include failure to make principal and interest payments when due, defaults related to the performance or observance of any other covenants, agreements or conditions that have not been remedied, or the Town's inability to pay its debts. Upon notice of any events of default, all principal and accrued interest may be declared due and payable immediately.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

#### NOTE 9 – LONG-TERM DEBT (Continued)

##### Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Bonds Payable	\$ 20,799,191	\$ -	\$ 1,928,357	\$ 18,870,834	\$ 1,928,357
Compensated Absences	1,592,349	65,720	-	1,658,069	165,807
Landfill Postclosure Care Costs	1,161,703	-	-	1,161,703	37,746
Capital Leases Payable	596,738	189,316	160,429	625,624	83,129
Net Pension Liability	36,347,609	2,516,841	-	38,864,450	-
Net OPEB Liability	28,106,140	-	5,642,932	22,463,208	-
<b>Total Governmental Activities:</b>					
Long-Term Liabilities	\$ 88,603,730	\$ 2,771,877	\$ 7,731,718	\$ 83,643,888	\$ 2,215,039

  

<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Net Pension Liability	\$ 155,875	\$ -	\$ 15,457	\$ 140,418	\$ -

The governmental activities long-term liabilities are generally liquidated by the general fund.

##### Advance and Current Year Refunding

On November 1, 2016 (fiscal year 2017), the Town issued general obligation refunding bonds in the amount of \$2,660,000 with an interest rate of 2.00% to advance refund \$3,000,000 of general obligation bond dated 8/15/05 with interest rate of 3.77%. The advance refunded bonds mature on August 1, 2024 and is callable on August 15, 2015. The general obligation refunding bonds were issued at a net interest cost of 1.42% and, after receiving a bond premium of \$77,454 and paying issuance costs of \$45,804, the net proceeds were \$2,691,650. The net proceeds from the issuance of the general obligation refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the advance refunded bonds are called on March 1, 2015. The refunding resulted in a net present value benefit of \$130,935 in future debt service costs. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the Town's financial statements.

During fiscal year 2024, the Town did not issue any general obligation refunding bonds.

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 10 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town has classified its governmental fund balances with the following hierarchy, as required by GASB Statement No. 54:

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Non-Major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Permanent fund principal	\$ -	\$ 336,921	\$ 336,921
Inventory	-	-	-
<b>Restricted for:</b>			
General government	-	2,698,482	2,698,482
Public safety	-	1,567,872	1,567,872
Education	-	2,638,347	2,638,347
Public works	-	572,701	572,701
Human services	-	(294,568)	(294,568)
Conservation	-	-	-
Culture & recreation	-	33,292	33,292
Employee benefits	-	-	-
Community preservation fund	-	2,610,935	2,610,935
Expendable trust fund	-	-	-
<b>Committed to:</b>			
Continuing appropriations:			
General government	208,250	-	208,250
Public safety	87,745	-	87,745
Public works	159,193	-	159,193
Education	-	-	-
Culture & recreation	113,788	-	113,788
Conservation	-	-	-
Culture & recreation	-	-	-
Municipal capital stabilization fund	2,371,043	-	2,371,043
Special education stabilization fund	2,238	-	2,238
Economic stabilization	6,544,667	-	6,544,667
Public building and infrastructure	2,279,248	-	2,279,248
<b>Assigned to:</b>			
Encumbered for:			
General government	46,578	-	46,578
Public safety	63,874	-	63,874
Education	698,371	-	698,371
Public works	94,704	-	94,704
Human services	10,000	-	10,000
Conservation	26,140	-	26,140
Culture & recreation	20,413	-	20,413
Subsequent years expenditures	450,000	-	450,000
<b>Unassigned:</b>			
General fund	5,741,706	-	5,741,706
Nonmajor governmental funds	-	(423,911)	(423,911)
	<u>\$ 18,917,957</u>	<u>\$ 9,740,072</u>	<u>\$ 28,658,029</u>

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 11 – STABILIZATION ARRANGEMENTS

The Town has established several funds where the Town has set aside amounts for economic stabilization purposes, special education, and capital needs. These funds consist of the following:

- The *Stabilization Fund* can be used for any purpose. The additions or the use of the fund requires a 2/3 vote at the Annual or Special Town Meeting. The fund has been classified as committed fund balance in the general fund. At June 30, 2024, the net position of the Stabilization Fund was \$6,544,667.
- The *Municipal Capital Fund* is a stabilization fund that is intended to be used for capital purchases. The additions or the use of the fund requires a 2/3 vote at the Annual or Special Town Meeting. The fund has been classified as committed fund balance in the general fund. At June 30, 2024, the net position of the Municipal Capital Stabilization Fund was \$2,371,043.
- The *Special Education Fund* is a stabilization fund that is intended to be used for special education expenses. The additions or the use of the fund requires a 2/3 vote at the Annual or Special Town Meeting. The fund has been classified as a committed fund balance in the general fund. At June 30, 2024, the net position of the Special Education Stabilization Fund was \$2,238.
- The *Public Buildings and Infrastructure Stabilization Account* is a stabilization fund that is intended to be used for public building renovation or infrastructure. The additions or the use of the fund requires a 2/3 vote at the Annual or Special Town Meeting. The fund has been classified as a committed fund balance in the general fund. At June 30, 2024, the net position of the Public Building and Infrastructure Stabilization fund was \$2,279,248.

#### NOTE 12 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters.

Buildings are fully insured against fire, theft, and natural disaster (except for losses due to earthquake) to the extent that losses exceed \$1,000 per incident. Buildings are fully insured against earthquake damage, to the extent that losses exceed \$50,000 per incident.

The Town is insured for general liability; however, Chapter 258 of the Massachusetts General Laws limits the Town's liability to a maximum of \$100,000 per claim in all matters except in actions relating to federal civil rights, eminent domain and breach of contract. Such claims are charged to the general fund. There were no such claims in 2023.

The Town has two contributory health care options for its employees and retirees. The Town contributes 75% of the premium costs for active employees and 50% for retirees for both health care options.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

##### *General Information about the OPEB Plan*

*Plan description.* The Town provides health and life insurance benefits to actives, retirees, their dependents and beneficiaries in accordance with Chapter 32B of Massachusetts General Laws under various contributory plans. Specific benefit provisions and contribution rates are established by collective-bargaining agreements, state laws and Town ordinance. All benefits are provided through third-party insurance carriers and health maintenance organizations that administer, assume and pay all claims for specific plans. The Plan does not issue a standalone financial report.

GASB Statement No. 75 requires the following disclosures in the financial statements:

*Benefits provided.* The contribution requirements of Plan members and the Town are established and may be amended by the Town. Fifty percent of the calculated contribution is paid by the retirees through pension benefit deductions. The remainder (fifty percent) of such cost is funded by the Town. The Town contributes seventy-five percent of the premium costs for active employees.

The Town currently contributes as a “partially funded” plan, or one where only the employer pays more than the pay-as-you-go cost but less than the full funding amount.

*Employees covered by benefit terms.* At June 30, 2024 (the measurement date), the following employees were covered by the benefit terms:

	Employees/ Retirees	Members
Medicare Eligible retirees currently receiving benefit payments	319	319
Non-Medicare Eligible retirees currently receiving benefit payments	34	43
Active employees	329	536
Subtotal	682	898

*Contributions.* The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the 2024 fiscal year, total Town benefits paid, include refunds of employee contributions are \$990,597. The Town made a contribution to the OPEB Trust of \$705,770 during fiscal year 2024.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

##### *Net OPEB Liability*

The Town's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

*Actuarial assumptions.* The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<b>Valuation Date</b>	June 30, 2023
<b>Measurement Date</b>	June 30, 2024
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	Open
<b>Amortization Period</b>	30 years
<b>Asset Valuation Method</b>	Fair Market Value
<b>Inflation</b>	Embedded in loss trend - see below
<b>Salary Increases</b>	2.50%
<b>Discount Rate</b>	4.31%
<b>Investment Rate of Return</b>	11.55% on funded amount
<b>Selected Investment Rate of Return</b>	5.50% on funded amount
	6.5% year 1, decreasing by 0.5% each year to an ultimate rate of
<b>Healthcare Cost Trend Rate</b>	4.5%
<b>Mortality Rates</b>	Based on the RP-2014 Mortality table (combined Healthy Lives)

It is assumed that for actives, retirees and disabled participants, mortality is represented by the RP-2014 Mortality table with projected mortality improvements.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results the experience of the plan and reasonable expectations and, in combination, represent the best estimate of the anticipated experience under the plan.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. OPEB plan investments are held in the OPEB Trust Fund.

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

#### *Net OPEB Liability*

The plan is currently 100% invested in a PPS Custom NFS Other-Post Employment Benefit Trust administered by the Commonwealth Financial Network. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return (Average)</u>
Domestic Equities	6.00%
Fixed Income	1.50%
Private Equity	6.00%
Real Estate	5.50%
Other	6.00%
Cash	0.00%

*Discount rate.* The discount rate used to measure the total OPEB liability was 4.31%. The actuarial firm contracted to perform the valuation performs a cash flow study of the Trust assets. It was determined that the assets of the OPEB Trust would only support OPEB benefits for a certain time period. For the time period where the assets are sufficient to cover plan obligations, a rate consistent with the Town's investment strategy 8.84% is used. For the period subsequent to this, where there would be no plan assets, a rate based on 20-year Municipal General Obligation bonds (3.65%) is used. A single rate producing an equivalent present value of benefits is calculated. This is the 5.40% rate used for the Town of Seekonk.

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) - (b)</u>
<b>Balances at the beginning of the period (GASB 75)</b>	\$32,653,720	\$ 4,547,580	\$28,106,140
<b>Changes for the year:</b>			
Service cost	881,184	-	881,184
Interest	1,268,102	-	1,268,102
Differences between expected and actual experience	(3,523,937)	-	(3,523,937)
Changes in assumptions	(1,972,017)	-	(1,972,017)
Contributions - employer	-	705,770	(705,770)
Contributions - employee	-	-	-
Net investment income	-	613,408	(613,408)
Benefit payments, including refunds of employee contributions	(990,597)	-	(990,597)
Change in benefit terms	-	-	-
Administrative expense	-	(13,510)	13,510
<b>Net changes</b>	<u>(4,337,265)</u>	<u>1,305,668</u>	<u>(5,642,933)</u>
<b>Balances at the end of the period</b>	<u>\$28,316,455</u>	<u>\$ 5,853,248</u>	<u>\$22,463,208</u>

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

##### Changes in the Net OPEB Liability

*Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.* The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31%) or 1-percentage-point higher (5.31%) than the current discount rate:

	<b>1% Decrease (3.31%)</b>	<b>Current Discount Rate (4.31%)</b>	<b>1% Increase (5.31%)</b>
Net OPEB Liability	\$ 26,943,530	\$ 22,463,207	\$ 18,950,391

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

	<b>1% Decrease (starts at 5.5%)</b>	<b>Trend (starts at 6.5%)</b>	<b>1% Increase (starts at 7.5%)</b>
Net OPEB Liability	\$ 18,948,523	\$ 22,463,207	\$ 26,852,880

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan's fiduciary net position is available in this report on the "Fiduciary Fund" pages.

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

For the year ended June 30, 2024, the Town recognized OPEB expense of \$990,597. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,282,942
Changes of assumptions	-	<u>\$ 3,250,642</u>
Total	<u>\$ -</u>	<u>\$ 9,533,584</u>
		<u>\$ (9,533,584)</u>

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

#### Year ended June 30:

2025	\$ (1,133,101)
2026	(1,133,101)
2027	(1,133,101)
2028	(1,188,228)
2029	(1,832,665)
Thereafter	<u>(3,113,388)</u>
Total	<u>\$ (9,533,584)</u>

#### Payable to the OPEB Plan

At June 30, 2024, the Town reported a payable of \$0 for the outstanding amount of contributions to the OPEB Trust required for the year ended June 30, 2024.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 14 – PENSION PLANS

##### A. Plan Descriptions

The Town is a member of the Bristol County Contributory Retirement System (The System), a cost-sharing multiple-employer, contributory defined benefit pension plan covering eligible employees of the 37 member units deemed eligible by the system. Chapter 32 of the Massachusetts General Law assigns authority to establish and amend benefit provisions of the system. Substantially all employees are members of the system except for school teachers and certain school administrators.

The System issues a publicly available audited financial report that may be obtained by contacting the system at 645 County Street, County Crossing, Taunton, MA. 02780.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a non-employer contributor and is responsible for 100% of the 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 the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>. The MTRS report may also be obtained by contacting MTRS at One Charles Park, Cambridge, Massachusetts 02142-1206.

##### *Special Funding Situation*

The Commonwealth is a non-employer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No.68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a non-employer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of December 31, 2023. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$5,735,211 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$61,424,471 as of the measurement date.

The "System" and the MTRS are contributory defined benefit plans and membership in both the "System" and the MTRS is mandatory upon commencement of employment for all permanent, full-time employees.

##### B. Benefits Provided

The System and MTRS provide retirement, disability and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

## **Town of Seekonk, Massachusetts**

### **Notes to Financial Statements** *For the Year Ended June 30, 2024*

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#### **NOTE 14 – PENSION PLANS (Continued)**

##### **B. Benefits Provided (continued)**

Members become vested after ten years of creditable service. There are three classes of membership in the retirement system: group 1, group 2, and group 4. Group 1 consists of general employees which includes clerical and administrative positions. Group 2 consists of positions that have even been specified as hazardous. Lastly, group 4 consist of police officers, firefighters, and other hazardous positions.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent on several factors, including whether or not the disability is work related, the employee's age, years of creditable service, level of compensation, veterans' status and group classification.

Employees who resign from service are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

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

##### **C. Contributions**

###### *Bristol County Contributory Retirement System*

Chapter 32 of MGL governs the contributions of plan members and member employees. Active plan members are required to contribute to the system at rates ranging from 5 to 9% of their gross compensation. Members joining the system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the system, a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution for the year ended December 31, 2023 which was \$4,240,608 and 28.14% of covered payroll, actuarially determined as an amount that when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

##### **D. Pension Liabilities, Pension Expense, Deferred Outflows of Resource, and Deferred Inflows of Resources Related to Pensions**

###### *Pension Liabilities*

At June 30, 2024 the Town reported a liability of \$39,004,868 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. Accordingly, updated procedures were used to roll forward the total pension liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members actuarially determined, At December 31, 2023, the Town's proportion was 8.075% which had an 0.999% increase from its proportion measured as of December 31, 2022.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 14 – PENSION PLANS (Continued)

##### **D. Pension Liabilities, Pension Expense, Deferred Outflows of Resource, and Deferred Inflows of Resources Related to Pensions (Continued)**

###### *Pension Expense and Deferred Outflows/Inflows of Resources*

For the year ended June 30, 2024 the Town recognized pension expense of \$3,723,742. At June 30, 2024 the Town reported deferred outflows and inflows of resources related to pensions of \$7,937,555 and \$92,837 respectively.

The balances of deferred outflows and inflows as June 30, 2024 consist of the following:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,470,315	\$ -
Changes of assumptions	786,013	-
Net difference between projected and actual earnings on pension plan investments	4,119,739	-
Changes in proportion and differences between System contributions and proportionate share of contributions	<u>561,488</u>	<u>92,837</u>
Total	<u>\$ 7,937,555</u>	<u>\$ 92,837</u>

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

##### **Year ended June 30:**

2025	\$ 2,474,483
2026	2,209,054
2027	2,751,397
2028	359,557
2029	<u>50,227</u>
Total	<u>\$ 7,844,718</u>

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 14 – PENSION PLANS (Continued)

##### E. Actuarial Assumptions

The total pension liability in the January 1, 2024 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Valuation date	January 1, 2024												
Actuarial cost method	Individual entry age normal												
Investment rate of return	7.35%, net of expenses												
Projected salary increases	<table><tr><th>Service</th><th>Rate</th></tr><tr><td>0-1</td><td>5.50%</td></tr><tr><td>2</td><td>4.00%</td></tr><tr><td>3-4</td><td>3.50%</td></tr><tr><td>5-7</td><td>3.00%</td></tr><tr><td>8+</td><td>2.75%</td></tr></table>	Service	Rate	0-1	5.50%	2	4.00%	3-4	3.50%	5-7	3.00%	8+	2.75%
Service	Rate												
0-1	5.50%												
2	4.00%												
3-4	3.50%												
5-7	3.00%												
8+	2.75%												
Cost of living adjustments	3.00% of \$18,000 of benefits												
Discount Rate	7.35%												
Inflation	4.00%												
Rates of retirement	Varies based upon age for general employees, police and fire employees												
Rates of disability	General employees, 35% ordinary (65% service connected). Police and fire, 5% ordinary (95% are service connected).												
Mortality rates:	RP-2014 table adjusted to 2006 and projected generationally with MP-2019 (gender distinct). During employment, the healthy employee mortality table is used. Post-employment, the healthy annuitant table is used												
Disabled retiree	For disabled retirees, mortality follows same table as non-disabled retirees, set forward two years. Death is assumed to be due to same cause as disability 40% of the time.												

For a full listing of actuarial assumptions used for the January 1, 2024 actuarial valuation, please consult the Bristol County Retirement System financial statements.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 14 – PENSION PLANS (Continued)

##### F. Investment Policy

The Retirement Board is responsible for establishing and amending investment policy decisions. The Retirement Board adopted the investment policy in 2019. According to its investment policy, the System's primary investment objective is to maximize the total rate of return subject to the preservation of capital, which it seeks to achieve through diversification of its investments across asset classes. The current investment policy establishes a custom index to benchmark its investment performance by asset class. The investment policy seeks to generate long-term investment performance that exceeds its actuarially targeted rates of return. The current target allocations based on the investment policy are as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Domestic equities	22.0%	7.4%
International equities	11.0%	7.4%
Emerging markets equities	11.0%	7.9%
Global REITs	2.0%	5.8%
Core fixed income	5.0%	4.1%
High yield fixed income	3.0%	5.5%
Emerging markets fixed income	4.0%	5.0%
Global fixed income	3.0%	4.0%
Private equity	12.0%	9.7%
Hedge funds	4.0%	5.2%
Real estate	11.0%	5.0%
Timber	3.0%	5.2%
Farmland	3.0%	7.9%
Infrastructure	6.0%	7.6%
Total	100.0%	

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

For the year ended December 31, 2023 the System's annual money-weighted rate of return on pension plan investments net of pension plan investment expense was 8.6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 14 – PENSION PLANS (Continued)

##### G. Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2023 was 7.35%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Under Chapter 32 of the MGL, employers are required to make the necessary contributions such that the plan reaches full funding status by 2040. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

##### H. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the system, as of December 31, 2023 calculated using the discount rate of 7.35%, as well as what the system's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.35%) or one percentage point higher (8.35%) than the current rate:

	<b>1% Decrease (6.35%)</b>	<b>Current Discount Rate (7.35%)</b>	<b>1% Increase (8.35%)</b>
Town's proportionate share of the net pension liability	\$ 50,416,297	\$ 39,004,868	\$ 29,380,764

Detailed information about the pension plan's fiduciary net position is available in a separately issued Bristol County Contributory Retirement System financial report.

#### NOTE 15 – COMMITMENTS AND CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2024, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is believed the amount, if any, would not be material.

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

## Town of Seekonk, Massachusetts

### Notes to Financial Statements For the Year Ended June 30, 2024

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#### NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

For the year ending June 30, 2024, the Town implemented the following pronouncements issued by the GASB:

- GASB Statement No. 91, *Conduit Debt Obligations*, which is required to be implemented for reporting periods after December 31, 2023. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements in the future. ***The Town had determined that these requirements have no effect on the financial reporting.***
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*, which is required to be implemented for reporting periods ending after December 31, 2023. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements in the future. ***The Town had determined that these requirements have no effect on the financial reporting.***
- GASB Statement No. 99, *Omnibus 2023*, effective for fiscal years beginning after June 15, 2024. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements in the future. ***The Town had determined that these requirements have no effect on the financial reporting.***

#### NOTE 17 – FUTURE GASB PRONOUNCEMENTS

The GASB has issued the following statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements in the future.
- GASB Statement No. 101, *Compensated Absences*, Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements in the future.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, which is required to be implemented during fiscal year 2026. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.

These pronouncements will be implemented by their respective implementation dates.

# Town of Seekonk, Massachusetts

## Notes to Financial Statements For the Year Ended June 30, 2024

### NOTE 18 - RESTATEMENT

The following was the restatement that occurred at the Governmental Fund statement level:

In some instances beginning fund balances/net position has been restated as a result of adjustments made to correct or reclassify prior year balances. Such adjustments, summarized by fund type are as follows:

<u>Fiduciary Funds</u>	<u>Private Purpose Trusts Funds</u>	<u>Custodial Funds</u>
Beginning balance, July 1, 2023	\$ 86,278	\$ 170,418
To restate accounts payable as deposits held	-	203,928
Misclassified of scholarship funds as private purpose	114,703	-
Beginning balance, July 1, 2024, restated	<u>\$ 200,981</u>	<u>\$ 374,346</u>

<u>Proprietary Funds:</u>	<u>Sanitation</u>
Beginning balance, July 1, 2023	\$ 768,473
To restate for error in accounts payable	3,864
To correct beginning fixed assets	22,537
Beginning balance, July 1, 2024, restated	<u>\$ 794,874</u>

	<u>Government- Wide Financial Statements</u>
	<u>Governmental Activities</u>
Beginning balance, July 1, 2023	\$ (1,932,969)
To restate fixed assets for a correction of an error in accumulation depreciation	364,172
Misclassified of scholarship funds as private purpose	(227,461)
Beginning balance, July 1, 2024, restated	<u>\$ (1,796,258)</u>

**Town of Seekonk, Massachusetts**

Notes to Financial Statements  
*For the Year Ended June 30, 2024*

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**NOTE 19 – SUBSEQUENT EVENTS**

For the purposes of determining the effects of subsequent events on these financial statements, management has evaluated events which have occurred subsequent to June 30, 2024, and through March 26, 2025, the date on which the financial statements were available to be issued. There are no material events to disclose.

# Town of Seekonk, Massachusetts

## Required Supplementary Information

### Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

*For the Year Ended June 30, 2024*

	Original Budget							Current Year Carryover of Encumbrances, NSS & Warrant Articles	Variance Favorable (Unfavorable)
	Encumbrances, NSS & Cont. Approp. Carried Forward	Budget As Adopted	Additional Appropriations and Transfers	Total Available	Actual				
Revenues:									
Real Estate and Personal Property Taxes, Net of Tax Refunds	\$ -	\$ 51,901,613	\$ 176,858	\$ 52,078,471	\$ 51,919,865	\$ -		\$ -	(158,606)
Motor Vehicle Taxes	-	2,900,000	-	2,900,000	3,396,862	-			496,862
Local Receipts:									
Other Excise	-	1,531,500	125,700	1,657,200	2,360,197	-			702,997
Penalties and Interest on	-	120,000	34,000	154,000	158,008	-			4,008
Payments in lieu of taxes	-	3,400	-	3,400	3,405	-			5
Fees	-	420,000	61,000	481,000	358,931	-			(122,069)
Licenses and Permits	-	615,000	(28,000)	587,000	691,279	-			104,279
Fines and Forfeits	-	80,000	3,000	83,000	85,524	-			2,524
Investment Income	-	73,422	40,577.81	114,000	301,911	-			187,911
Misc Recurring Revenue	-	136,000	48,334.32	184,334	170,770	-			(13,564)
Misc Non-Recurring Revenues	-	20,000	1,413	21,413	7,713	-			(13,700)
Intergovernmental	-	9,334,674	20,232	9,354,906	9,341,109	-			(13,797)
Total Revenues	-	67,135,609	483,115	67,618,725	68,795,575	-			1,176,850
Expenditures:									
Current:									
General Government	21,912	3,534,835	26,000	3,582,747	3,235,568		43,366		303,813
Public Safety	24,211	11,284,156	129,525	11,437,892	11,004,764		63,874		369,255
Education:									
Public School	464,426	31,791,853	-	32,256,279	31,468,127		698,371		89,782
Regional Schools		1,553,323	-	1,553,323	1,543,449		-		9,874
Highway and Streets	51,472	1,923,884	132,000	2,107,357	1,668,855		73,289		365,212
Conservation	3,413	135,336	45,300	184,049	130,895		26,140		27,013
Human Services	2,401	669,722	26,575	698,698	602,629		10,000		86,069
Culture and Recreation	9,927	1,257,563	25,000	1,292,490	1,126,123		20,413		145,954
Employee Benefits	-	12,687,826	-	12,687,826	11,962,891		-		724,935
DEP/EPA Mandated Programs	53,751	323,500	-	377,251	68,206		21,415		287,630
Debt Service	-	2,639,624	-	2,639,624	2,592,256		-		47,368
State and County Assessments	-	652,231	11,751	663,982	702,394		-		(38,412)
Total Expenditures	631,513	68,453,852	396,151	69,481,516	66,106,157		956,867		2,418,493
Excess (Deficiency) of Revenues									
Over Expenditures	(631,513)	(1,318,243)	86,964	(1,862,792)	2,689,418		(956,867)		3,595,343

*See accompanying independent auditor's report*

# Town of Seekonk, Massachusetts

## Required Supplementary Information

### Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

*For the Year Ended June 30, 2024*

	Original Budget				Actual	Current Year Carryover of Encumbrances, NSS & Warrant Articles	Variance Favorable (Unfavorable)
	Encumbrances, NSS & Cont. Approp. Carried Forward	Budget As Adopted	Additional Appropriations and Transfers	Total Available			
Other Financing Sources and (Uses):							
Free Cash	-	-	4,343,340	4,343,340	-	-	(4,343,340)
Fund Deficits	-	-	(596)	(596)	(596)	-	-
Carryforward Articles	(1,189,148)	-	(190,281)	(1,379,429)	(682,305)	(568,976)	(128,147)
Pulbic Library Offset		(43,336)	(1,680)	(45,016)	-	-	-
Overlay Surplus	-	-	(469,088)	(469,088)	-	-	469,088
Transfer from Stabilization Fund	-	-	117,400	117,400	117,400	-	-
Transfer from Sanitation Enterprise	-	52,162	-	52,162	52,162	-	-
Transfer from Ambulance Receipts	-	1,309,417	-	1,309,417	1,309,417	-	-
Transfer from other funds	-	-	(889,006)	(889,006)	(889,006)	-	-
Transfer to Stabilization Fund & Trust Fund	-	-	(2,997,054)	(2,997,054)	(2,997,054)	-	-
Total Other Financing Sources and (Uses)	(1,189,148)	1,318,243	(86,964)	42,131	(3,089,982)	(568,976)	(4,002,399)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ (1,820,661)	\$ -	\$ -	\$ (1,820,661)	\$ (400,564)	\$ (1,525,843)	\$ (407,056)
Budgetary Fund Balance - Beginning of Year					6,719,463		
Budgetary Fund Balance - End of Year					\$ 6,318,899		

*See accompanying independent auditor's report*

**Town of Seekonk, Massachusetts**  
Required Supplementary Information  
Notes to Budget and Actual Comparison  
*For the Year Ended June 30, 2024*

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**Budgetary to GAAP Reconciliation**

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

	<u><b>General Fund</b></u>
Excess (deficiency) or revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ (400,564)
Net 60 day accrual	(74,533)
MTRS State Contribution Revenue	5,735,211
MTRS State Contribution Expenditure	<u>(5,735,211)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ (475,097)</u>

*See accompanying independent auditor's report*

**Town of Seekonk, Massachusetts**  
**Required Supplementary Information**

Schedule of the Town's Proportionate Share of the Net Pension Liability  
*Last 10 Years \*\**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset)	8.075%	7.076%	6.989%	6.637%	6.613%	6.762%	6.761%	6.762%	6.762%	6.846%
Town's proportionate share of the net pension liability (asset)	<u>\$ 39,004,868</u>	<u>\$ 36,503,484</u>	<u>\$ 26,010,266</u>	<u>\$ 28,952,566</u>	<u>\$ 31,166,759</u>	<u>\$ 25,087,056</u>	<u>\$21,098,797</u>	<u>\$22,574,101</u>	<u>\$22,748,741</u>	<u>\$19,559,219</u>
Town's covered employee payroll	<u>\$ 15,072,246</u>	<u>\$ 14,850,893</u>	<u>\$ 14,323,105</u>	<u>\$ 13,327,061</u>	<u>\$ 12,821,079</u>	<u>\$ 12,209,433</u>	<u>\$11,695,609</u>	<u>\$10,951,259</u>	<u>\$10,264,919</u>	<u>\$ 9,712,251</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	258.79%	245.80%	181.60%	217.25%	243.09%	205.47%	180.40%	206.13%	221.62%	201.39%
Plan fiduciary net position as a percentage of the total pension liability	61.90%	61.80%	71.60%	65.20%	61.20%	63.48%	68.56%	64.17%	62.95%	67.11%

**Notes to Schedule:**

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

*\*\* - Per GASB Statement No. 68, the Town is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.*

*See accompanying independent auditor's report*

**Town of Seekonk, Massachusetts**  
**Required Supplementary Information**  
**Schedule of the Town's Pension Contributions**  
*Last 10 Years \*\**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	8.075%	7.076%	6.989%	6.637%	6.613%	6.762%	6.761%	6.762%	6.762%	6.846%
Town's proportionate share of the net pension liability (asset)	<u>\$ 39,004,868</u>	<u>\$ 36,503,484</u>	<u>\$ 26,010,266</u>	<u>\$ 28,952,566</u>	<u>\$ 31,166,759</u>	<u>\$ 25,087,056</u>	<u>\$21,098,797</u>	<u>\$22,574,101</u>	<u>\$22,748,741</u>	<u>\$19,559,219</u>
Town's covered employee payroll	<u>\$ 15,072,246</u>	<u>\$ 14,850,893</u>	<u>\$ 14,323,105</u>	<u>\$ 13,327,061</u>	<u>\$ 12,821,079</u>	<u>\$ 12,209,433</u>	<u>\$11,695,609</u>	<u>\$10,951,259</u>	<u>\$10,264,919</u>	<u>\$ 9,712,251</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	258.79%	245.80%	181.60%	217.25%	243.09%	205.47%	180.40%	206.13%	221.62%	201.39%
Plan fiduciary net position as a percentage of the total pension liability	61.90%	61.80%	71.60%	65.20%	61.20%	63.48%	68.56%	64.17%	62.95%	67.11%

**Notes to the Schedule:**

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

*\*\* - Per GASB Statement No. 68, the Town is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.*

*See accompanying independent auditor's report*

# Town of Seekonk, Massachusetts

## Required Supplementary Information

### Schedule of the Town's Contributions – Other Post-Employment Benefits

*Last 10 Years \*\**

	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>								
Service cost	\$ 881,184	\$ 846,647	\$ 1,072,475	\$ 1,039,010	\$ 854,017	\$ 802,133	\$ 1,000,505	\$ 902,852
Interest on liability and service cost	1,268,102	1,280,211	1,015,218	994,890	1,372,162	1,270,443	1,175,046	447,500
Differences between expected and actual experience	(3,523,937)	(1,872,806)	-	(4,109,817)	-	1,767,914	-	-
Changes in assumptions	(1,972,017)	(700,682)	(7,497,152)	485,047	5,799,937	496,137	1,755,657	6,860,794
Benefit payments, including refunds of employee contributions	(990,597)	(1,230,589)	(1,319,141)	(1,315,720)	(1,436,864)	(1,420,766)	(1,166,411)	(1,026,551)
<b>Net change in total OPEB liability</b>	(4,337,265)	(1,677,219)	(6,728,600)	(2,906,590)	6,589,252	2,915,861	2,764,797	7,184,595
Total OPEB liability - beginning	\$ 32,653,720	\$ 34,330,939	\$ 41,059,539	\$ 43,966,129	\$ 37,376,877	\$ 34,461,016	\$ 31,696,219	\$ 24,511,624
<b>Total OPEB liability - ending (a)</b>	<u>\$ 28,316,455</u>	<u>\$ 32,653,720</u>	<u>\$ 34,330,939</u>	<u>\$ 41,059,539</u>	<u>\$ 43,966,129</u>	<u>\$ 37,376,877</u>	<u>\$ 34,461,016</u>	<u>\$ 31,696,219</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 705,770	\$ 415,738	\$ 451,664	\$ 5,420	\$ -	\$ 500,000	\$ -	\$ 2,365,921
Net investment income	613,408	377,227	(642,523)	823,633	92,522	206,143	134,407	82,776
Benefit payments, including refunds of employee contributions	-	-	-	-	-	-	-	(1,026,551)
Administrative expense	(13,510)	(11,968)	(12,486)	(10,441)	-	(9,151)	(8,072)	-
<b>Net change in plan fiduciary net position</b>	1,305,668	780,997	(203,345)	818,612	92,522	696,992	126,335	1,422,146
Plan fiduciary net position - beginning	4,547,580	3,766,583	3,969,928	3,151,316	3,058,794	2,361,802	2,235,467	813,321
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 5,853,248</u>	<u>\$ 4,547,580</u>	<u>\$ 3,766,583</u>	<u>\$ 3,969,928</u>	<u>\$ 3,151,316</u>	<u>\$ 3,058,794</u>	<u>\$ 2,361,802</u>	<u>\$ 2,235,467</u>
<b>Town's net OPEB liability - ending (a) - (b)</b>	<u>\$ 22,463,207</u>	<u>\$ 28,106,140</u>	<u>\$ 30,564,356</u>	<u>\$ 37,089,611</u>	<u>\$ 40,814,813</u>	<u>\$ 34,318,083</u>	<u>\$ 32,099,214</u>	<u>\$ 29,460,752</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	20.67%	13.93%	10.97%	9.67%	7.17%	8.18%	6.85%	7.05%
<b>Covered-employee payroll</b>	\$ 33,936,519	\$ 35,260,624	\$ 33,936,519	\$ 33,134,756	\$ 30,786,541	\$ 28,931,504	\$ 27,850,548	\$ 24,151,041
<b>Town's net OPEB liability as a percentage of covered employee payroll</b>	66.19%	79.71%	90.06%	111.94%	132.57%	118.62%	115.26%	121.99%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

*See accompanying independent auditor's report*

# Town of Seekonk, Massachusetts

## Required Supplementary Information

### Schedule of the Town's Contributions – Other Post-Employment Benefits

*Last 10 Years \*\**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 2,496,514	\$ 3,042,262	\$ 2,895,391	\$ 2,982,337	\$ 2,700,125	\$ 2,699,289	\$ 2,783,708	\$ 2,868,126
Contributions in relation to the actuarially determined contribution	<u>705,770</u>	<u>415,738</u>	<u>451,664</u>	<u>5,420</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>1,293,917</u>
Contribution deficiency (excess)	<u>\$ 1,790,744</u>	<u>\$ 2,626,524</u>	<u>\$ 2,443,727</u>	<u>\$ 2,976,917</u>	<u>\$ 2,700,125</u>	<u>\$ 2,199,289</u>	<u>\$ 2,783,708</u>	<u>\$ 1,574,209</u>
Covered-employee payroll	\$33,936,519	\$35,260,624	\$33,936,519	\$33,134,756	\$30,786,541	\$28,931,504	\$27,850,548	\$24,151,041
Contributions as a percentage of covered-employee payroll	2.08%	1.18%	1.33%	0.02%	0.00%	1.73%	0.00%	5.36%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

*See accompanying independent auditor's report*

**Town of Seekonk, Massachusetts**

**Required Supplementary Information**

**Schedule of Investment Returns – Other Post-Employment Benefits**

*Last 10 Years \*\**

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	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Money-weighted rate of return	11.55%	8.84%	-14.48%	25.80%	2.92%	5.91%	5.43%	6.53%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

*See accompanying independent auditor's report*

## Town of Seekonk, Massachusetts

### Required Supplementary Information

#### Collective Amount of the Net Pension Liability – Massachusetts Teachers Retirement System Last 10 Years\*\*

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#### Schedule of the Commonwealth's Collective Amounts of the Net Pension Liability

*(The following schedule is presented in accordance with GASB Statement No. 68)*

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

Fiscal Year	Commonwealth's 100% Share of the Net Pension Liability Associated with the Town	Town's Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	\$ 61,424,471	\$ 5,735,211	58.48%
2023	60,941,767	5,013,055	57.75%
2022	54,944,352	4,409,055	62.03%
2021	65,942,820	3,588,660	50.67%
2020	56,921,923	6,902,771	53.95%
2019	54,556,796	5,528,541	54.84%
2018	51,381,501	5,362,837	54.25%
2017	50,388,105	5,139,917	52.73%
2016	45,553,944	3,694,830	55.38%
2015	36,170,859	2,512,963	61.64%

\*\* Per GASB Statement No. 68, the Town is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

*See accompanying independent auditor's report*

**Town of Seekonk, Massachusetts**  
**Supplementary Information**  
**Balance Sheet – General and Stabilization Fund Detail**  
*June 30, 2024*

	<u>General Fund</u>	<u>Town Stabilization</u>	<u>Municipal Capital Stabilization</u>	<u>Special Education Stabilization</u>	<u>Public Building and Infrastructure Stabilization</u>	<u>Major Fund General Fund</u>
<b>Assets</b>						
Cash and short-term investments	\$ 11,369,834	\$ -	\$ 1,219,639	\$ -	\$ 2,688	\$ 12,592,161
Investments	-	6,544,667	1,151,404	2,238	2,276,560	9,974,869
Due from other funds	768,757	-	-	-	-	768,757
Receivables, net of allowance for uncollectibles:						
Real estate and personal property taxes	492,251	-	-	-	-	492,251
Tax liens and foreclosures	703,863	-	-	-	-	703,863
Motor vehicle and other excise	270,372	-	-	-	-	270,372
User fees	732,772	-	-	-	-	732,772
Departmental and other	40,182	-	-	-	-	40,182
Total assets	<u>14,378,031</u>	<u>6,544,667</u>	<u>2,371,043</u>	<u>2,238</u>	<u>2,279,248</u>	<u>25,575,227</u>
<b>Deferred outflows of resources</b>						
None	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 14,378,031</u>	<u>\$ 6,544,667</u>	<u>\$ 2,371,043</u>	<u>\$ 2,238</u>	<u>\$ 2,279,248</u>	<u>\$ 25,575,227</u>
<b>Liabilities</b>						
Accounts payable and accrued expenses	<u>\$ 4,616,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,616,045</u>
Total liabilities:	<u>4,616,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,616,045</u>
<b>Deferred inflows of resources</b>						
Deferred property tax revenues	1,308,453	-	-	-	-	1,308,453
Deferred user fees and fines	<u>732,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>732,772</u>
Total deferred inflows of resources	<u>2,041,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,041,225</u>
<b>Fund balance</b>						
Committed	1,022,188	6,544,667	2,371,043	2,238	2,279,248	12,219,384
Assigned	956,867	-	-	-	-	956,867
Unassigned	<u>5,741,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,741,706</u>
Total fund balance	<u>7,720,761</u>	<u>6,544,667</u>	<u>2,371,043</u>	<u>2,238</u>	<u>2,279,248</u>	<u>18,917,957</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 14,378,031</u>	<u>\$ 6,544,667</u>	<u>\$ 2,371,043</u>	<u>\$ 2,238</u>	<u>\$ 2,279,248</u>	<u>\$ 25,575,227</u>

# Town of Seekonk, Massachusetts

## Supplementary Information

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### General and Stabilization Fund Detail

*For the Year Ended June 30, 2024*

	<u>General Fund</u>	<u>Town Stabilization</u>	<u>Municipal Capital Stabilization</u>	<u>Special Education Stabilization</u>	<u>Public Building and Infrastructure Stabilization</u>	<u>Major Fund General Fund</u>
Revenues:						
Real estate and personal property taxes, net refunds	\$ 51,800,616	\$ -	\$ -	\$ -	\$ -	\$ 51,800,616
Tax liens	-	-	-	-	-	-
Motor vehicle and other excise	3,398,343	-	-	-	-	3,398,343
Intergovernmental	15,178,478	-	-	-	-	15,178,478
Hotel / motel and meals tax	1,650,376	-	-	-	-	1,650,376
Penalties and interest on taxes	245,611	-	-	-	-	245,611
Charges for services	391,198	-	-	-	-	391,198
Investment income	301,909	164,499	(58,450)	698	106,602	515,258
Departmental and other	1,489,723	-	-	-	-	1,489,723
Total revenue	<u>74,456,254</u>	<u>164,499</u>	<u>(58,450)</u>	<u>698</u>	<u>106,602</u>	<u>74,669,603</u>
Expenditures :						
General government	3,912,709	-	(20,938)	-	-	3,891,771
Public safety	11,004,764	-	11,487	-	-	11,016,251
Education	38,746,787	-	-	94,301	-	38,841,088
Public works	1,737,062	-	38,470	-	-	1,775,532
Human services	602,629	-	-	-	-	602,629
Conservation	130,895	-	-	-	-	130,895
Culture and recreation	1,126,123	-	9,012	-	-	1,135,135
Employee benefits	11,962,891	-	-	-	-	11,962,891
State and county assessments	702,394	-	-	-	-	702,394
Capital outlay	682,305	-	-	-	-	682,305
Debt service:						
Principal	1,844,417	-	-	-	-	1,844,417
Interest	747,839	-	-	-	-	747,839
Total expenditures	<u>73,200,815</u>	<u>-</u>	<u>38,031</u>	<u>94,301</u>	<u>-</u>	<u>73,333,147</u>
Excess (deficiency) of revenues over expenditures	1,255,439	164,499	(96,481)	(93,603)	106,602	1,336,456
Other financing sources (uses):						
Transfers in	2,155,524	676,544	676,544	-	967,420	4,476,032
Transfers out	(3,886,059)	(117,400)	-	-	-	(4,003,459)
Other financing sources (uses)	<u>(1,730,535)</u>	<u>559,144</u>	<u>676,544</u>	<u>-</u>	<u>967,420</u>	<u>472,573</u>
Excess of revenue and other sources over expenditures and other uses	(475,096)	723,643	580,063	(93,603)	1,074,022	1,809,029
Fund balance - beginning	<u>8,195,857</u>	<u>5,821,024</u>	<u>1,790,980</u>	<u>95,841</u>	<u>1,205,226</u>	<u>17,108,928</u>
Fund balance - ending	<u>\$ 7,720,761</u>	<u>\$ 6,544,667</u>	<u>\$ 2,371,043</u>	<u>\$ 2,238</u>	<u>\$ 2,279,248</u>	<u>\$ 18,917,957</u>

**Town of Seekonk, Massachusetts**  
**Supplementary Information**  
**Statement of Revenues, Expenditures & Changes in Fund Balance**  
**Non-Major Governmental Funds**  
*For the Year Ended June 30, 2024*

	Capital Project	Community Preservation	Town Grants				Special Revenue Funds				Total Non-Major Governmental Funds
			Federal Grants	State Grants	Local Grants	School Federal, State & Local Grants	Reserve for Appropriation	Town Funds Revolving	Gifts	Permanent	
<b>Assets</b>											
Cash and short-term investments	1,946,332	\$ 94,823	\$ 1,036,973	\$ -	\$ 364,327	\$ 1,737,280	\$ 2,447,747	\$ 860,613	\$ 645,788	\$ -	\$ 9,133,883
Investments	-	2,516,202	-	-	-	-	-	-	-	357,703	2,873,905
Receivables:											
Departmental and other	-	28,745	-	-	-	20,370	2,901	15,741	-	-	67,757
Intergovernmental	-	-	1,587	498,249	-	656,963	-	-	-	-	1,156,799
Special assessments	-	-	-	-	204,008	-	-	-	-	-	204,008
Total assets	1,946,332	2,639,770	1,038,560	498,249	568,335	2,414,613	2,450,648	876,354	645,788	357,703	13,436,352
<b>Deferred outflows of resources</b>											
None	-	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 1,946,332	\$ 2,639,770	\$ 1,038,560	\$ 498,249	\$ 568,335	\$ 2,414,613	\$ 2,450,648	\$ 876,354	\$ 645,788	\$ 357,703	\$ 13,436,352
<b>Liabilities</b>											
Warrants, accounts and accrued expenses payable	342,582	90	-	-	-	75,371	-	5,373	177	-	423,593
Due to to other funds	-	-	-	59,705	-	709,052	-	-	-	-	768,757
Bond anticipation notes payable	1,925,000	-	-	-	-	-	-	-	-	-	1,925,000
Total liabilities	2,267,582	90	-	59,705	-	784,423	-	5,373	177	-	3,117,350
<b>Deferred inflows of resources</b>											
Deferred revenue other	-	28,745	-	-	202,547	-	-	10,717	-	-	242,009
Deferred grant income	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	28,745	-	-	202,547	-	-	10,717	-	-	242,009
<b>Fund balance</b>											
Non-spendable	-	-	-	-	-	-	-	-	-	336,921	336,921
Restricted	-	2,610,935	1,089,911	438,544	366,288	1,677,580	2,454,068	860,264	645,611	20,782	10,163,983
Unassigned	(321,250)	-	(51,351)	-	(500)	(47,390)	(3,420)	-	-	-	(423,911)
Total fund balance	(321,250)	2,610,935	1,038,560	438,544	365,788	1,630,190	2,450,648	860,264	645,611	357,703	10,076,993
Total liabilities, deferred inflows of resources and fund balance	\$ 1,946,332	\$ 2,639,770	\$ 1,038,560	\$ 498,249	\$ 568,335	\$ 2,414,613	\$ 2,450,648	\$ 876,354	\$ 645,788	\$ 357,703	\$ 13,436,352

*See accompanying independent auditor's report*

**Town of Seekonk, Massachusetts**  
**Supplementary Information**  
**Statement of Revenues, Expenditures & Changes in Fund Balance**  
**Non-Major Governmental Funds**  
*For the Year Ended June 30, 2024*

	Capital Project	Community Preservation	Town Grants				Special Revenue Funds				Total Non-Major Governmental Funds
			Federal Grants	State Grants	Local Grants	Federal, State & Local Grants	Reserve for Appropriation	Revolving	Gifts	Permanent	
<b>Revenues:</b>											
Intergovernmental	-	102,653	\$ 2,760,490	\$ 1,293,293	\$ -	\$ 3,799,421	\$ -	\$ -	\$ -	\$ -	\$ 7,955,857
Charges for services	-	-	-	-	-	-	1,317,354	972,252	2,500	-	2,292,106
Investment income	-	-	-	-	-	-	-	-	-	-	-
Contributions and donations	-	304,053	-	-	-	-	-	-	-	-	304,053
Departmental and other	457	541,541	-	-	39,869	165,153	292,092	3,120	253,891	25,886	1,322,009
<b>Total revenue</b>	<b>457</b>	<b>948,247</b>	<b>2,760,490</b>	<b>1,293,293</b>	<b>39,869</b>	<b>3,964,574</b>	<b>1,609,446</b>	<b>975,372</b>	<b>256,391</b>	<b>25,886</b>	<b>11,874,025</b>
<b>Expenditures :</b>											
General government	272,329	242	1,808,214	136,126	-	61,502	84,305	142,289	29,183	-	2,534,190
Public safety	58,236	-	-	124,260	-	-	82,143	59,972	36,153	-	360,764
Education	19,719	-	54,433	228,517	12,321	3,749,820	-	754,891	22,759	-	4,842,460
Public works	1,348,855	-	8,779	545,473	4,245	470,343	30	83,703	-	-	2,461,428
Human services	111,489	-	-	11,856	-	-	-	136	2,332	15,839	141,652
Conservation	-	1,930	-	-	-	-	-	-	-	-	1,930
Culture and recreation	-	-	-	34,278	-	-	-	23,991	-	-	58,269
<b>Total expenditures</b>	<b>1,810,628</b>	<b>2,172</b>	<b>1,871,426</b>	<b>1,080,510</b>	<b>16,566</b>	<b>4,281,665</b>	<b>166,478</b>	<b>1,064,982</b>	<b>90,427</b>	<b>15,839</b>	<b>10,400,693</b>
Excess (deficiency) of revenues over expenditures	(1,810,171)	946,075	889,064	212,783	23,303	(317,091)	1,442,968	(89,610)	165,964	10,047	1,473,332
<b>Other financing sources (uses):</b>											
Transfers in	737,878	-	4,098	-	-	-	-	-	147,030	-	889,006
Transfers out	-	-	-	-	(9,417)	-	(1,300,000)	-	-	-	(1,309,417)
<b>Other financing sources (uses)</b>	<b>737,878</b>	<b>-</b>	<b>4,098</b>	<b>-</b>	<b>(9,417)</b>	<b>-</b>	<b>(1,300,000)</b>	<b>-</b>	<b>147,030</b>	<b>-</b>	<b>(420,411)</b>
Excess of revenue and other sources over expenditures and other uses	(1,072,293)	946,075	893,162	212,783	13,886	(317,091)	142,968	(89,610)	312,994	10,047	1,052,921
Fund balance - beginning	751,043	1,664,860	145,398	225,761	351,902	1,947,281	2,307,680	949,874	332,617	347,656	9,024,072
Fund balance - ending	\$ (321,250)	\$ 2,610,935	\$ 1,038,560	\$ 438,544	\$ 365,788	\$ 1,630,190	\$ 2,450,648	\$ 860,264	\$ 645,611	\$ 357,703	\$ 10,076,993

*See accompanying independent auditor's report*

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*Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*

To the Honorable Members of the Board of Selectman  
Town of Seekonk, Massachusetts  
Seekonk, Massachusetts

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Seekonk, Massachusetts (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 26, 2025.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Seekonk, Massachusetts's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Seekonk, Massachusetts financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hague, Sahady & Co. CPA's. P.C.*

Fall River, Massachusetts  
March 26, 2025